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Official Report of Debates (Hansard)

Wednesday 19 October 2005

Journal des débats (Hansard)

Mercredi 19 octobre 2005

**Standing committee on
government agencies**

Intended appointments

**Comité permanent des
organismes gouvernementaux**

Nominations prévues

Chair: Tim Hudak
Clerk: Susan Sourial

Président : Tim Hudak
Greffière : Susan Sourial



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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GOVERNMENT AGENCIESCOMITÉ PERMANENT DES
ORGANISMES GOUVERNEMENTAUX

Wednesday 19 October 2005

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The committee met at 1005 in room 151.

SUBCOMMITTEE REPORTS

The Chair (Mr. Tim Hudak): Good morning, folks. I call the standing committee on government agencies to order. We have a number of subcommittee reports to get through; I think members have copies in their packages.

Our first order of business is the report of the subcommittee on committee business dated Thursday, September 29, 2005. Is there anybody to move its adoption?

Mr. Lorenzo Berardinetti (Scarborough Southwest): I move its adoption.

The Chair: Any discussion? All in favour? Any opposed? Carried.

The second order of business is the report of the subcommittee on committee business dated Thursday, October 6, 2005.

Mr. Berardinetti: I move its adoption.

The Chair: Any discussion? Seeing none, all in favour? None opposed? It is carried.

Our third order of business is the report of the subcommittee on committee business dated Thursday, October 13, 2005.

Mr. Berardinetti: I move its adoption.

The Chair: Any discussion? All those in favour? Any opposed? That also is carried.

Also, we have an extension of deadlines pursuant to standing order 106(e)(11). Members will know we need unanimous consent to extend the 30-day deadline for consideration for the following intended appointee: Andi Shi. Andi Shi is an intended appointee to the Ontario Rental Housing Tribunal.

I'm seeking unanimous consent to have this deadline extended to November 22, 2005. Any objections? Great. Thank you very much, folks.

I should also let you know that in your packages there is a notice of a withdrawal of a nominee as well. If there's any discussion, why don't we take that up under other business. But it looks like a relatively routine withdrawal of an intended appointee.

Let me also say, as we begin, thank you very much to my very capable Vice-Chair, Ms. Horwath, for filling in in my absence at the last meeting. I understand the meeting went very smoothly.

Ms. Andrea Horwath (Hamilton East): Any time.

The Chair: I'd suggest too, folks, that we save other business for the end of the session and move forward with our intended appointees.

Is there any other business?

Ms. Monique M. Smith (Nipissing): Then we'll save it to the end; sure.

The Chair: Is that all right with everybody? Ms. Scott, that's good? OK.

So we'll move other business to the end of the agenda, and move on with our intended appointments.

INTENDED APPOINTMENTS

JEFFREY HAMBLIN

Review of intended appointment, selected by third party: Jeffrey Hamblin, intended appointee as member, Hamilton Community Care Access Centre.

The Chair: Our first interviewee is Jeffrey John Hamblin.

Mr. Hamblin, welcome to the committee. You're welcome to make any introductory comments: why you're interested in the position and your background. I think you know that we then have 10 minutes allocated for questions for all three parties, beginning with the third party. Any time you do take up comes from the government side. Please make your opening comments.

Mr. Jeffrey Hamblin: Thank you very much, Chair.

In order to demonstrate my experience to qualify as a public appointee, I think it's perhaps relevant for me to outline briefly to you the latter stages of my career.

After spending three and a half very happy years here in Toronto as manager, Canada, for the British Tourist Authority, I was transferred to Frankfurt, Germany, in September 1988, where initially I took responsibility for the authority's offices in Germany, Switzerland, the Netherlands and Belgium. Two years later, still based in Frankfurt, I took on responsibility for all of the offices in Europe. In 1993, I was appointed executive vice president, the Americas, and moved back across the Atlantic to a base in New York with responsibility for offices in the USA, Canada and Latin America.

At the end of 1998, I was appointed chief executive of the organization and returned to head office in London. There, I had responsibility for the London operations as well as 23 offices around the world. With a budget from government of close to \$80 million and a turnover of close to double that, thanks to investment from the

private sector, I had responsibility for a staff complement of 550. I held that post until my retirement in 2002.

As accounting officer, I had full responsibility for the budget and reported to the Secretary of State for Culture, Media and Sport—the sponsoring government department.

So how does that experience translate into some potential for me to become a member of the board of directors at the Hamilton CCAC? I think that it would enable me to bring a sound operational background to the board, an intimate knowledge of significant budgets and their deployment, and an in-depth knowledge of risk management, crisis management—thanks to having to deal with foot-and-mouth disease and the aftermath of 9/11 on travel partners throughout the world—as well as public relations and government liaison at a senior level. I think it also enables me to offer strong human resources skills and a well developed customer focus.

Since retiring, I've chaired a series of strategy groups for both the public and private sectors of the tourism industry in Northern Ireland, and have chaired many meetings of a forum to integrate the public and private sector interests of the tourism industry in my home region, the northeast of England. Those roles demanded lots of diplomacy. They also enabled me to bring focus, as well as strategic thinking and strategic planning skills, to the table.

Finally, I consider myself to be a good listener, someone who is compassionate, and I feel that I'm a good team player.

Thank you for the opportunity to make those opening comments.

The Chair: Mr. Hamblin, thank you very much for your opening comments. We'll begin any questions with the third party.

1010

Ms. Horwath: Good morning, Mr. Hamblin. It's very nice to meet you. I want to start off by asking some basic questions about your political affiliation, if any, here in Canada. Do you have any political party that you're affiliated with?

Mr. Hamblin: Yes. I am a member of the Hamilton Mountain Liberal Association.

Ms. Horwath: Do you provide political monetary donations to the party?

Mr. Hamblin: Yes, modest ones.

Ms. Horwath: What raised your interest in this particular position? How did you learn about it?

Mr. Hamblin: I learned about it from a telephone conversation from a friend of mine who works in the constituency office of MPP Dr. Bountrogianni. She advised me that the Ministry of Health was looking for an increase in the number of board members of the Hamilton CCAC and suggested that if I was interested, I should perhaps look on the Web site. This I did, and that gave me an excellent background brief on the CCAC. I was also guided toward the electronic application form, which I completed and sent off.

Ms. Horwath: So you were solicited by someone from Marie Bountrogianni's office for this particular position?

Mr. Hamblin: No. I was advised that the Ministry of Health had made it clear that they were looking for additional board members.

Ms. Horwath: I read through your CV, your information, and listened to your description of your experience. It seems to me that your experience very much leans toward the corporate side of the various initiatives you've been involved with. What about your experience with the community side, particularly in the city of Hamilton, where you'll be on the CCAC if this appointment goes through? What connections have you made in that particular area, on the community side of things?

Mr. Hamblin: We moved to Hamilton at the end of November 2003. I've got to say that the first 12 months of that time were spent in getting ourselves established in what was a new house and all of the landscape work that needed to go with it. Since then, I've begun to think about contributing to public life. I've had a reasonably successful career and now I think it's time for me to add something back to society.

Hamilton is the city in which my wife and myself have chosen to spend what we hope are the rest of our days. Hamilton has been very open, warm and welcoming to us, so it's particularly with respect to Hamilton that I'd like to give something back.

There's a third factor at play here as well. Sadly, about 12 months ago now a close friend of ours, living not in Hamilton but in Caledonia, was dying of breast cancer, and I was able to see a CCAC at work in Haldimand county, bringing to what was a desperate situation a little bit of comfort in terms of home care and making a desperate situation a little bit better for Michelle, the girl who subsequently died, her husband and her children.

Ms. Horwath: What's your opinion or your view of community health care? Following up on your comments around the CCAC that you saw in action, give me your vision or your understanding of what good community health care is and why it's important.

Mr. Hamblin: The important thing is that the customer, the client, the patient, should as far as possible have the choice. It's this element of the work of the CCAC that I find most attractive. It enables people to carry on living at home where otherwise they may need to be hospitalized. I think that can make for a much more comfortable end-of-life strategy.

I think also it is a means by which information can be disseminated effectively, and with respect to young people, the assistance that can be provided to those in need so that they can continue education in schools. I think all of those are fundamental and all of them should be applauded.

Ms. Horwath: Do you have any understanding of the history of the CCACs, how they came into being and any of the controversy that existed around that?

Mr. Hamblin: Not of the controversy. I have done some research through the Web site, so I am aware that it

was formally the Hamilton-Wentworth home care program, that they were incorporated in 1997 and then made a statutory corporation in 2001. But with respect to controversy, no, I'm not aware of it.

Ms. Horwath: Can I ask you for your basic opinion on the competitive bidding model that's in place now?

Mr. Hamblin: I don't have any detailed information about it, but I have worked in an environment where competitive bidding has been a normal part of my business life.

Ms. Horwath: I mean particularly in terms of the health care field.

Mr. Hamblin: No. I am unable to comment specifically on that, other than to say that I'm in favour of there being a level playing field so that whatever is procured by any organization should be the best for the job.

Ms. Horwath: So it should be the best for the job, the best for the patient, the best for the community?

Mr. Hamblin: My focus is always with the customer. I said in my opening comments that I am customer-focused, therefore I think the starting point is customer care.

Ms. Horwath: Have you read the Elinor Caplan report, which was a review of the competitive bidding system in home care?

Mr. Hamblin: No, I have not.

Ms. Horwath: I'm in the position of having a family member currently getting services from CCAC. One of the frustrations that I hear not only from that person but also from many others in my riding is a sense of lack of attention to the actual patient or client, if you will, so that decisions are driven by the organization on the corporate side as opposed to the needs of the patient. Unfortunately, that's one of the pitfalls of the situation that we're in now. Nonetheless, out of the 70 recommendations or so that came from the Caplan report, that, to me, indicates that there are some really serious changes that need to be made in the whole sector. But if you're not aware of those, then I really can't follow up on those any further.

How much time do I have left, Mr. Chairman?

The Chair: You have three more minutes.

Ms. Horwath: Are you aware that the people who provide home care services are required to absorb the cost of travel on their own, so that in fact as things like gas prices go up, the home care providers are the ones who are absorbing those costs? Did you know that that's the case?

Mr. Hamblin: No. I was not aware that that was the case.

Ms. Horwath: Can you comment on that situation?

Mr. Hamblin: I'm not commenting specifically on the situation but on the principle that, if costs go up, then recompense should follow at some point.

Ms. Horwath: You're saying right now that your position is that the competitive bidding system is generally a positive one, that you think that's the right way to go in terms of the systems you're aware of and perhaps the health care system or the home care system.

Mr. Hamblin: No. I don't think I'm quite saying that. What I am saying is that the disbursement of public monies must be always above scrutiny. It must stand the test of time of being scrutinized any which way.

With specific respect to the request-for-proposal process that exists in this instance, I'm afraid I don't have the detailed knowledge to be able to answer you specifically.

Ms. Horwath: That's fair, and I appreciate that. I just have one last question, if I can, and that's around something totally outside of this specific area. I was hoping, considering your own personal history and your own place, where you come from, you could comment the UK's experience of privatization of hospitals and what your personal understanding is of how that has worked.

Mr. Hamblin: I was a member of a private health plan in the United Kingdom, as was my wife. My wife benefited from it, sadly—well, no; gratefully. I didn't need to call upon that health care for myself.

One thing I would comment on, which is a big problem, is that in the private health care system that operates in the United Kingdom, if you are seeking insurance, the likelihood is that insurance coverage will not be provided for existing problems. For example, I had a disc taken out of my back some 20 years ago, therefore with my private medical insurance that was taken out of any health care I could get from the private sector and paid for by the insurance company. So that was a great problem as far as I was concerned because that would likely be the medical care I would have needed.

1020

Ms. Horwath: What about the P3 hospitals?

The Chair: I'm sorry, Ms. Horwath. We're out of time. I'll move to the government side.

Mr. Berardinetti: I just wanted to thank Mr. Hamblin, on behalf of all members here from the Liberal Party, for coming forward to sit on the Hamilton Community Care Access Centre. Thank you.

The Chair: Short and sweet. To the opposition.

Ms. Laurie Scott (Haliburton-Victoria-Brock): Thank you, Mr. Hamblin, for coming in and wanting to contribute back to your community and bringing a very impressive background in various aspects to the committee.

I was wondering if you knew a bit about the local health integrated networks that are almost up and running, and if you did, how you feel about the CCACs that are going to fit in there, because there has been some discussion that the number of CCACs may be reduced from 42 to 20. I know you've done some background work; if you could comment on what you're aware of locally in your community.

Mr. Hamblin: I can't add very much, really, other than to say that if over the coming months the focus is on the end-user—the customer, the client, the patient—the focus is on the person seeking support, then whatever is created in terms of superstructure is geared toward delivering an optimum level of service. The relationship between the local health integration network, which I

believe is based in Grimsby, and the various CCACs that relate to it is, to me, less important than the quality of care that's provided to the customer.

Ms. Scott: I guess we're having some concerns that if they're made too large, the community's voice isn't heard, and the needs specifically, which can happen often. Ms. Horwath did a great job of asking you detailed questions about the community and the services there.

Do you know many CCAC board members right now whom you've maybe had a conversation with, or don't you know any?

Mr. Hamblin: I don't know any of them, so I've had no conversations; nor have I had any conversations with or met with any of the senior executives. What I did do at the back end of last week was find out where the office was and just parked and had a look from the car park at the building.

Ms. Scott: Do you know the chair or the CEO of the local health integration network that's in your area?

Mr. Hamblin: No.

Ms. Scott: OK. You spoke of an experience with a friend there. Do you know a lot about the system that exists there? Is the VON, for example, in existence there or is there a paramedic; what are the care providers in the community? Do you know any—

Mr. Hamblin: Not in any detail. I couldn't enumerate them to you. What I have done in preparation for the meeting with your good selves today is some research on the Internet as to the vision, the mission, the values held by the Hamilton CCAC. I've got to say that to a large extent I'm impressed by much of what I've read. I thought there were perhaps four pluses that I could associate: the focus on people, including staff and customer satisfaction surveys; the partnerships that they're looking to create; the communications, which I think are vitally important in anything; and also what appears to be the sensible use of financial resources. That's as far as my knowledge goes. I'm sorry if that appears to be rather weak.

Ms. Scott: No. That's fine, and that's fair enough. I wonder, for example, in long-term centres, do you know if there are waiting lists, because they're channelled through the CCACs?

Mr. Hamblin: No, I don't know.

Ms. Scott: You don't know of the supply-demand for long-term-care centres that exists there. OK. I often communicate with the local CCAC in my riding of Haliburton-Victoria-Brock as to how the system works, and I know that autism is often brought up in services, that they can assist with families with children with autism. Do you know if there's anything on the autism services available?

Mr. Hamblin: No, I don't. The only thing I'm aware of with respect to uniqueness in terms of Hamilton and its health is through what I read in the Hamilton Spectator over the greater-than-normal preponderance of asthma and of allergies because of air quality. The newspaper reminds us of that fairly frequently.

I was drawn to the work that has been carried out recently by McMaster University, their centre for health economics and policy analysis, to benchmark health issues in 16 neighbourhoods in Hamilton. I've not seen the results of that research, but I would have thought that it could be enormously helpful in specifically locating where health problems may exist within Hamilton itself.

Ms. Scott: When you were getting this appointment, and I agree with what you said about working with the communities and seeing especially that CCACs may have this role, were you given any time period that this appointment may last for, especially in light of the fact that they may be downsizing the number of CCACs?

Mr. Hamblin: None whatsoever.

Ms. Scott: So is it one year, three years—

Mr. Hamblin: It is only in the last week that I was made aware that CCACs may be downsized as a result of the initiative taken with the creation of the local health integration networks.

Ms. Scott: OK. So did you apply for one year or three years? Did you know—

Mr. Hamblin: I didn't apply for any specific term. I simply applied to be a member of the board of directors.

Ms. Scott: OK. And, I'm sorry, you applied originally when?

Mr. Hamblin: It must be going back now to the middle of summer, perhaps early summer.

Ms. Scott: OK. Thank you very much for appearing here today.

The Chair: Mr. Hamblin, thank you very much for your presentation and your responses to the members' questions.

We move to our concurrence votes after the interviews are complete. So you're welcome to stick around. That will probably be around 11:30 or 12.

BRYAN DE SOUSA

Review of intended appointment, selected by third party: Bryan De Sousa, intended appointee as member, Council of the College of Audiologists and Speech-Language Pathologists of Ontario.

The Chair: Our next intended appointee is Bryan De Sousa. Mr. De Sousa has travelled here from Gulliver Road in Toronto.

Welcome to the committee. Mr. De Sousa is an intended appointee as a member of the council of the College of Audiologists and Speech-Language Pathologists of Ontario. You've been in the audience here, so you've seen how we proceed. You're welcome to make some opening comments about yourself and your interest in this particular position. We'll have questions from the three parties, beginning with the government members. Mr. De Sousa, the floor is yours.

Mr. Bryan De Sousa: Thank you. I'd just like to start by making a brief statement. Thank you, members of the panel. I appreciate being given this opportunity to speak before you. As you all know, my name is Bryan De

Sousa. I'm a resident of the riding of York-South Weston.

My interest in the council of the College of Audiologists and Speech-Language Pathologists of Ontario stems from my work as a special education teacher. I work with severely disabled students in the life skills program in a high school in Brampton. I do see the benefits and detractors of the audiologists' and speech pathologists' work daily.

I also have a personal connection to it. When I was in high school, the school that I was at did actually have one of the very few deaf and hard-of-hearing departments, so I've been around hearing-impaired persons for about 11 years. I've seen what they have to go through to be integrated into society, so it is a bit of a personal connection.

Currently, I work as a special education teacher in Brampton. During my three years at the faculty of education at York University, I had a very keen interest in special education in that field and did research highly into that area, including audiology and speech pathology. So I'm somewhat versed in the college, hoping to bring an outsider's perspective into it, a public perspective, to see how it actually works. I know, at least with my experience at the faculty, how some people stay in a position for a long period of time and get disconnected, and I'm hoping to bring a little bit of a connection back to the council and the college itself.

The Chair: Thank you for your presentation. Questions or comments from the government members?

Mr. Berardinetti: I again, on behalf of all members of the Liberal caucus here, just want to thank Mr. De Sousa for coming out today and putting his name forward for an appointment.

The Chair: Anything else? Thank you, folks. To the official opposition.

Ms. Scott: Thank you for appearing here today before us, Mr. De Sousa. You mentioned that you're a special ed. teacher. I was looking through your resumé, and St. Thomas Aquinas secondary school—

Mr. De Sousa: It's in Brampton, at Torbram Road and Queen Street.

Ms. Scott: OK. I have one in my riding too, so I was just checking to see—

The Chair: It's a good name.

1030

Ms. Scott: There you go. It's a good name. They use it often. Anyway, thank you for that.

Also on your resumé, "Community Involvement": We have here "assisted in the organization of Dinner for Diabetes, November 2004; assisted in the organization of GTA Youth for Tsunami Relief, February 2004," and then we have "assisted in the organization" and then it's blank. I don't know if it got missed or not completed.

Mr. De Sousa: I think it got cut off. It wasn't for the application; it was another thing I was working on. Currently I'm assisting in the organization for a charitable relief reception for the Pakistani earthquake, so I'm highly involved in that aspect of attempting to do what I

can in the community to assist. So that probably was one that I didn't put there.

Ms. Scott: OK; it just didn't get filled in there at the end. We just didn't know if it was taken out or—now, how did you hear about this appointment for today?

Mr. De Sousa: Prior to becoming a teacher, I worked in a constituency office, and you hear about appointments all the time. Primarily, I handled immigration cases, so I had reappointments and everything like that. While I was in the constituency, I didn't want to apply for any appointments, for obvious reasons. I wanted to take a year away from politics in general and just see from there when I'm ready. I went to settle into teaching. About now, I'm a year into it, and I feel that I'm adequately stable and could go back.

When I was looking through the Web site, I saw this one, and I said, "It's perfect." I have some experience in it, so I think that I'd be perfect to assist in that, to bring the connection back.

Ms. Scott: So you did your own searching on the Web site to see where there were vacancies in the public appointments service. When you said you worked in a constituency office, was that for the Minister of Citizenship and Immigration, Mr. Volpe?

Mr. De Sousa: Prior to him becoming a minister—I think I was only in the office when he was Minister of Human Resources for six months, but yes, there.

Ms. Scott: Do you think that your connections with the Liberal Party have influenced your appointment for today?

Mr. De Sousa: No, actually I try and do everything standard by myself, as solo as I can. I'm not one to take handouts. I want to earn things on my own. That's how I view myself.

Ms. Scott: OK. It was on the resumé that you'd worked there. Did you use any elected Liberal members as references?

Mr. De Sousa: I used three people as my references. Two of them were friends of mine whom I worked with in the constituency, and the other was a teacher I worked with last year at St. Thomas Aquinas. That's about it.

Ms. Scott: This is a part-time position. Were you given how many hours that you may be working or how much pay per diem it is?

Mr. De Sousa: For the part-time position?

Ms. Scott: Yes.

Mr. De Sousa: With the constituency or—

Ms. Scott: No, for your part-time position for your appointment.

Mr. De Sousa: There was something on the Web site about a per diem, but like I said, I do it more to help out rather than to get any financial compensation for it.

Ms. Scott: So you don't know the term or the—

Mr. De Sousa: Well, I believe it was a three-year term. I think that's what the Web site said. I think it was \$100 or some per diem, but it's not something that I looked at as making my decision to join this college or not. It's more for assisting that I looked at.

Ms. Scott: Just more verifying the research and the position that you knew about.

It is a board that you need to sit on a disciplinary committee for. I just wondered, do you feel that you have enough background for the function as an adjudicator on this committee?

Mr. De Sousa: Well, given that I have to discipline almost daily at my school and try to be unbiased in every single thing, case by case, in that situation—I'd be given two different perspectives, two different sides, and I'd have to weigh it accordingly in an unbiased manner. That's the way I'd approach everything, in a unbiased manner. I don't believe that it would be a major issue at all, as long as I see both sides of the story and be unbiased as to judgment there.

Ms. Scott: It is going to be a little different than working in the classroom, being on the committee.

Mr. De Sousa: I understand that.

Ms. Scott: Do you know anyone else who is sitting on the committee right now?

Mr. De Sousa: No, I do not.

Ms. Scott: All right. Thank you.

Ms. Horwath: Good morning, Mr. De Sousa. I just want to follow up on the last question. I guess what I want to know is, do you have any formal experience with adjudicative types of roles in regulatory bodies?

Mr. De Sousa: No, I do not.

Ms. Horwath: You have no formal experience, just your experience as a teacher with the children that you work with?

Mr. De Sousa: Yes.

Ms. Horwath: OK. You talked a little bit about the work that you do with special needs children and how that caused you to be interested in this particular position as you were surfing the Web site for something to do. Do you have any other direct experience in the health care field?

Mr. De Sousa: No, no other experience directly.

Ms. Horwath: Do you have any knowledge of the structure of the college and how that all works?

Mr. De Sousa: I looked at it briefly on the Web site afterwards when I applied for the appointment. I did a little bit of background work. I saw somewhat of the structure there. So that's limited knowledge there, but that's my knowledge.

Ms. Horwath: Do you have an understanding of the regulatory framework, the objectives that are set out in the Regulated Health Professions Act and the Audiology and Speech-Language Pathology Act?

Mr. De Sousa: I read over them briefly during the past week.

Ms. Horwath: So you feel you have some understanding of them?

Mr. De Sousa: Minimal understanding of that.

Ms. Horwath: Do you expect to get some training before you're called upon to actually serve?

Mr. De Sousa: Absolutely; I'd be expecting to.

Ms. Horwath: All right. I wanted to ask a little bit about your work with special needs children particularly.

Have you done any work specifically in the area of audiology and speech-language pathology?

Mr. De Sousa: I have to work closely with an audiologist and a speech pathologist for certain students I have in my classroom, whether it's basic speech-language recognition using the voice, working with an FM system. I'd have to work directly with them, and then I'd also have to integrate that into their IEPs, augmented at IEPRCs, see what the parents wish to do about that, and then also work in combination. So that's pretty much where my connection comes in.

Ms. Horwath: So you have significant exposure?

Mr. De Sousa: On a day-to-day basis; not whether to recommend or do anything.

Ms. Horwath: I understand. OK.

The Chair: Sorry to interrupt. Mr. De Sousa, if you could maybe move closer to your mike and speak up a little bit.

Mr. De Sousa: I'm sorry. No problem.

Ms. Horwath: Do you have any experience working with children who are autistic?

Mr. De Sousa: Yes, I do.

Ms. Horwath: Do you know the situation around the IBI treatment being cut off at age six?

Mr. De Sousa: I've heard about that.

Ms. Horwath: Do you have any experience in how children progress with IBI treatment?

Mr. De Sousa: No. Usually when I've encountered students who are autistic is at age 14—that's if they're severe and they're classified to be in my classroom—I see them when they come in, depending on their severity. Then we take it from there. That's when my planning kicks in, to see how I can best integrate them back into the community itself, going through community living programs, etc., from that point. In relation to what happens from six to 14, I'm unaware of what happens there, except for transition from grade 8 to grade 9.

Ms. Horwath: So you're not given any understanding of the extent or the amount or the age to which some of these children might be receiving IBI treatments or not?

Mr. De Sousa: No, I do not know that.

Ms. Horwath: Would it be your understanding, though, that IBI treatment specifically is something that assists children in their ability to obtain success in the school environment?

Mr. De Sousa: That, I'm not too sure. I'd have to get more information on the treatment prior to making a comment on that. I see them when they enter my classroom at age 14. Then they're usually there till 21, and we see what we could do to best integrate them back into the programs. So I'm not too aware of the treatment itself.

Ms. Horwath: Can I ask how long you've been working with students with special needs?

Mr. De Sousa: I've spent the past year and a half working with students with exceptionalities, and again, as I stated in my opening statement, my three years at the faculty were a really keen interest for myself in research, hoping that they include more special education

requirements in there so that we could better assist and better identify students before.

Ms. Horwath: So in your experience, the time that you spent with children with exceptionalities, do you have a sense that parents and children with special needs are getting the supports that they need?

Mr. De Sousa: I think that in my area, in my school, we're in a very good area, with Brampton Caledon Community Living, which has done a really outstanding job trying to integrate the students coming in. There's also a program that we work with to see if we could get students who are employable once they've reached the age of 21 or they've stated that they wish to graduate, that we work with this other program to get them prepared for life skills. So I do believe supports are there, in answer to your question.

1040

Ms. Horwath: I was trying to get more at the broader understanding of whether children with special needs and their parents are getting adequate supports within the current systems that we have in the province of Ontario.

Mr. De Sousa: From my conversations with parents, I have not heard anything other.

Ms. Horwath: Are you aware of the recent Ombudsman's report on the situation of special-needs children and their parents?

Mr. De Sousa: We've received a copy of it recently, and currently I'm working my way through it. I've not gained a great knowledge of it yet, but I'm currently working through it.

Ms. Horwath: Do you have any knowledge of the recommendations that the Ombudsman—

Mr. De Sousa: Not yet. They save those for the end, so I'm currently working through the front of the Ombudsman's report.

The Chair: Mr. De Sousa, we're having trouble picking up your—

Mr. De Sousa: No problem. I'll move forward. Sorry about that. I get comfortable. It's too comfy a chair, so I keep moving back a little bit.

The Chair: We do need the volume so we can record.

Ms. Horwath: You'll be interested to know that in fact the Ombudsman gave a scathing report card to the previous minister and the ministry around special-needs children and around the supports that are not provided to their parents. A lot of that centred around the fact that—and again, these would be children that would be much younger than the ones that you're dealing with. The report was scathing with regard to the lack of action of the ministry in solving some of these ongoing crises that families are in or end up in as a result of them not being able to get not only services for their children but services for themselves as families to try and help them to cope with the very significant challenges that face those families.

I urge you to actually spend some time on that report, because it's not a very long report. It's actually fairly short, and it's easy reading in terms of the kinds of descriptions that the Ombudsman puts forward in terms

of the crises that face these families. If you are going to be sitting on this particular college, I think it might do you well to spend some time with that report. The recommendations are—there are only four of them—quite significant. There needs to be some serious action by the government in that regard.

I just wanted to confirm, as my final question, your current status as a member of the Liberal Party and your status in terms of donating to the party.

Mr. De Sousa: I'm currently a member of the Eglinton–Lawrence FLA. In regard to donations, I do not donate consistently; I just purchase a ticket here or there to very select events. Again, it all depends what it is for. I have to look at the person and what it is.

Ms. Horwath: Have you ever been a political candidate?

Mr. De Sousa: No, I have not.

Ms. Horwath: Have you ever run for office?

Mr. De Sousa: No, no, no. I have no intention of doing so in the near future. I'm quite happy where I am.

Ms. Horwath: You don't have to put that on the line now.

Mr. De Sousa: That's why I said "in the near future."

Ms. Horwath: Just curious. Thank you.

The Chair: Thank you, Mr. De Sousa, for your response to members' questions. As you probably heard, we move to the concurrence votes at the end of the presentations, probably around 11:30 or so.

JAMES McMASTER

Review of intended appointment, selected by third party: James McMaster, intended appointee as member, Ontario Rental Housing Tribunal.

The Chair: Our next intended appointee is James Grant McMaster. Mr. McMaster hails from Ajax, Ontario. He is a former deputy mayor and councillor for the town of Ajax. Mr. McMaster is an intended appointee to the Ontario Rental Housing Tribunal.

Mr. McMaster, welcome to the committee. You're invited to make some opening comments about your background and interest in the position, and then we'll do a rotation, beginning with the official opposition, for any questions for you. The floor is yours.

Mr. James McMaster: Mr. Chairman, members of the committee, I'm pleased to be here today to present to you why I believe I'd be a good addition to the Ontario Rental Housing Tribunal.

As I'm sure you've seen by my resumé, I was a municipal councillor in the town of Ajax for 12 years, having left politics in the fall of 2003. When I left politics, a number of my colleagues had suggested that I should consider looking for something like an appointment to a tribunal or similar, to be able to continue to use the ability that I had learned over the years of listening to two different opinions and making an informed, defensible position. I have to admit, I always enjoyed that part of my political career, and I applied for a few different committees in the spring of 2004. One of the committees

I applied to was this one. I felt that with my background as a politician, being able to control a meeting, make decisions, combined with my backgrounds in business and real estate, this was a very appropriate committee for me to apply to.

As you will all understand, being a good politician means being able to listen, do your research, talk to staff for input, and make a defensible position that can be understood by both parties. Obviously, both parties are never going to fully agree with you, but even if one does agree and the other one can at least admit that they understand your point of view, then I think you've done a good job.

I'll just take a few moments to highlight my background for you. I attended Ryerson Polytechnic Institute in electrical power systems and left that school as a certified senior engineering technician. I worked for 12 years with Ontario Hydro, where some of my work involved research based on what you're seeing today with regard to time-of-use rates. That was back in the late 1980s.

Early in the 1990s, I got the political bug and also opened a sporting goods store in Ajax, which stayed open for five years. After I closed the store, I got my licence for selling real estate and did that, as well as being a local councillor in Ajax.

In 1995, I moved up to the region of Durham as a regional councillor. In Durham, that means you sit on both the local and regional councils. During that period of time, I've been deputy mayor; chair of the planning committee; sat on the library board; vice-chair of the Toronto and Region Conservation Authority; chair of Veridian Connections, our local hydro company; chair of Ajax transit and founding co-chair of APTA, which is a combination of Ajax and Pickering transit; I was regional finance chairman and budget chief at the region of Durham, and held the same kinds of positions at the town; I was also a board member of the Durham Region Non-Profit Housing Corp.; as well, many volunteer positions, including the Ajax-Pickering hospital board.

I'm currently in the transportation consulting business, having owned my own company for over 10 years. I deal mostly with highway coach operations and public transit systems, neither of which has any conflict with my potential role with the tribunal.

I'm sure you'll agree that I've had a fairly wide and varied background, and, fortunately, a large number of things I've done tie in very nicely with being a tribunal member. I have an open mind, I listen well, I'm not afraid to make decisions, I treat people well in meeting situations and can control the meeting's progress. I have previous knowledge of real estate from all three sides, having been a tenant many years ago, a landlord with the Durham Region Non-Profit Housing Corp. and also a sales representative. I understand business principles, have a reasonable knowledge of law for a layman and, probably most importantly, I learn quickly and am ready for a new challenge.

I look forward to any questions you may have, and hopefully I can count on your support.

The Chair: Thank you, Mr. McMaster, for your presentation and background. I'll begin the questions with the official opposition.

Ms. Scott: Thank you, Mr. McMaster, for appearing before us today. You're a very busy guy, for one thing. You've got a lot of background. You said you expressed an interest in sitting on this board as well as on other boards. I just wondered, what were the other boards, and did you just get the call for this board?

Mr. McMaster: No. Actually, I was interviewed for the municipal assessment board as well, if I remember. As the other gentleman did, I went on to the Web site and had a look through and tried to see things that would be of interest to me and that I felt would tie in to my background. I think I probably applied for three or four different positions.

Ms. Scott: Was this the one that was offered to you, or was the other offered to you?

Mr. McMaster: No, the other one was never offered to me. I was interviewed, and it never went any further.

Ms. Scott: I can see that your background ties more, in a sense, into the municipal assessment board, especially in Durham, the fastest-growing area. My colleague John O'Toole and I did a gridlock task force there on Tuesday night. There were certainly a lot of issues around gridlock and the 407 and also housing and building issues. So I wondered if you just chose the first one that was offered, or did you really want to wait for the municipal assessment board?

Mr. McMaster: Actually, when this one came up, I did some extra research on it and actually went out and sat through a couple of tribunals, just to see if it was something that interested me, and it really did. It looked very interesting.

Ms. Scott: You have Roger Anderson as one of your references.

Mr. McMaster: I've known Roger for 20 years and worked with him for 12, I guess.

Ms. Scott: Very good. He's got a lot of background as chair of AMO, the Association of Municipalities of Ontario.

Mr. McMaster: He's also a very busy person right now.

Ms. Scott: You said you were a landlord and a tenant previously, and that you were with the Durham Region Non-Profit Housing Corp. I just wondered if you could explain a little bit more on the housing situation in Durham.

Mr. McMaster: As a landlord, it was minimal, I have to be honest. The things that would come forward to us would not be the more day-to-day issues, like actually dealing with specific tenants. It wasn't very often that we would get directly into that. It was more policy-directed. We got a little bit involved with the Tenant Protection Act, but not a great deal. I've had a flavour of being a landlord, but not a very large flavour.

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Ms. Scott: OK. You brought up the tenant act. Do you think there's a fair treatment that exists right now with

the present government and the landlords and tenants as they exist? Are you actively in real estate still?

Mr. McMaster: No, I haven't had my real estate licence for eight years now.

Ms. Scott: OK. So from your background and your experience, is there a balance between tenants and landlords now? Do you feel that you'd like to see some changes occur there?

Mr. McMaster: I honestly don't have a strong enough knowledge of it as it stands today to really be able to say. The only thing I noticed was on a piece of background information that was sent to me that talked about the percentage of cases that were coming forward. It seemed to me that a very large percentage, over 90% if I remember right, were landlord-based and less than 10% were tenant-based. I would always expect that there would be more landlord- than tenant-based complaints, but that might be a little bit more than it should be. I believe the government is doing a review of the TPA right now, but I honestly don't have a really strong opinion as to where it stands.

Ms. Scott: OK. How do you feel about the rent control issue in general?

Mr. McMaster: Again, rent control is a really interesting thing. It's something that, unfortunately, I guess, there's a need for, and I can understand it from both sides of the case. There need to be protections for the tenant; there also has to be enough interest for landlords to be able to make capital investments in properties. I leave the decisions on where that goes up to you folks. I'll deal with what comes forward. It's something that's been—boy, I can remember people talking about rent controls for an awful long time. Certainly it's a very tricky balance.

Ms. Scott: It is. How are vacancies right now in the Durham region? I know in Toronto there's a high vacancy rate right now.

Mr. McMaster: I honestly don't know.

Ms. Scott: OK. You don't know the housing needs in Durham?

Mr. McMaster: No, I honestly don't know.

Ms. Scott: You mentioned adjudicative experience. A lot of the people who appear before you haven't had the benefit of counsel. I don't know if you know the composition of the board right now. Could you tell us some way that you could ensure they have a fair hearing?

Mr. McMaster: First off, there's always the language issue. I think it's also very important that people understand what is available to them. In fact, at one of the tribunals I was at, I thought the adjudicator did a great job. Right at the very beginning he laid out exactly what was available for everybody and was quite willing to stop the proceedings if something could be helped with regard to mediation—something like that. I thought that was a very good way of doing things—just making sure that people have as much access to everything they're capable of having access to.

Going back to my council background, people often didn't have experience in appearing in front of councils.

For somebody who has never done it before, it can be a bit of a nerve-racking event. I think you tend to try to help people through as much as you can, while staying in the role you have to be in—certainly just making sure they are well aware of all the different things that are available to them.

Ms. Scott: This is a part-time appointment. I know you're a busy man, but have you ever considered going full-time, because you're very enthusiastic and knowledgeable?

Mr. McMaster: I would be a little leery of going full-time because when I went back into this, having been the regional finance chairman in Durham—I didn't have an awful lot of extra time. I've got my transportation business going again. The part-time aspect of this intrigued me because it would give me a chance to have a look at it. Would I be interested in doing it full-time down the road? Quite possibly.

Ms. Scott: And do you think the 407 should be expanded to 35/115, since you live up there?

Mr. McMaster: Yes, yesterday morning.

Ms. Scott: I agree totally. Thank you for appearing before us today.

The Chair: Ms. Horwath.

Ms. Horwath: Good morning, Mr. McMaster. You indicated you got the information about this particular appointment from the Web site, similar to the previous interviewee, and you said you applied in the spring of 2004.

Mr. McMaster: Just before, yes.

Ms. Horwath: I guess you were pretty surprised when all of a sudden you got the call.

Mr. McMaster: It's been a long, slow process.

Ms. Horwath: It has. Can I just ask how long you were in elected office?

Mr. McMaster: Twelve years.

Ms. Horwath: You stopped being in elected office in 2003?

Mr. McMaster: Right.

Ms. Horwath: That would have been the municipal elections.

Mr. McMaster: Yes.

Ms. Horwath: Did you choose not to run in those elections?

Mr. McMaster: No, I—

Ms. Horwath: You were defeated?

Mr. McMaster: The residents chose for me not to run.

Ms. Horwath: Did you run under any party affiliation?

Mr. McMaster: No. I've never believed that parties should be affiliated at the municipal level.

Ms. Horwath: But are you affiliated with a political party? Are you a donor to any particular party? Have you made any political donations?

Mr. McMaster: No. I've been a—

Ms. Horwath: Just to your own campaigns.

Mr. McMaster: Just to my own campaigns, which is bad enough. In the past, I was a \$10 member of the Lib-

eral Party and a \$10 member of the Progressive Conservative Party as well. But they were both to assist people I knew who were running, so I took out memberships to help them get elected, none of which is current right now.

Ms. Horwath: Good. You talked a little bit about your experience in the housing portfolio. What would you say are some of the major issues that exist with the landlord-tenant relationship?

Mr. McMaster: That is a tough question because, to be very honest with you, the level of my knowledge right now of the TPA is not great. I now have it on my computer at home and I have had the opportunity to read through it a couple of times, but from a day-to-day working point of view, I really couldn't give you a strong answer to that right now.

Ms. Horwath: OK. So you're applying for this position, then, not out of a particular passion for this area but because—

Mr. McMaster: Actually, I always have had a passion for real estate and for the business of real estate. I think just that, combined with my adjudicative skills through being able to run meetings and—how to best put it? I find it's a good way to be able to serve, and there definitely needs to be a referee. I know enough about the landlord and tenant situation to know there has to be a referee between them, because we don't always agree on things.

Ms. Horwath: So in the spring of 2004, after the fall of 2003, you applied for a number of different things just to more or less see what might be available for you to get busy, if you want. As a busy person, you had time, so you went looking for opportunities, perhaps, to serve, and this was one of the four or five or so that you applied to. But being involved in real estate is quite different from the Landlord and Tenant Act—the Tenant Protection Act, rather.

Mr. McMaster: Oh, without a doubt, but you do have a background. Mind you, at that time it would have been the Landlord and Tenant Act, but that's part of your training, so you have a basic knowledge of it.

Ms. Horwath: All right. You don't have very many insights into the landlord and tenant relationship, let's say, but what would you say would be the greatest need that tenants in Ontario would have?

Mr. McMaster: Again, this would come from my Durham non-profit housing part: access to housing.

Ms. Horwath: Access to affordable housing or just access to housing?

Mr. McMaster: Yes, access to affordable housing. I know that's a need that's been there for a long time, but from what I could see, that was always the case.

Ms. Horwath: What about the greatest need of landlords in Ontario?

Mr. McMaster: Landlords have to understand what the rules of the game are so they can make business decisions as to whether there's a business case for them to be able to move forward and make investments. We need them to continue to make investments to make the rest of the system work.

Ms. Horwath: Do you think there has been a great deal of investment in the development of rental housing over the last while?

Mr. McMaster: I can only speak from Durham's point of view. There has been some investment. Has there been enough? Probably not, but there has definitely been some.

Ms. Horwath: It seems to me that most of the development, particularly in the community that I come from, and many others, has been in the condo market as opposed to the rental housing market.

We already went down the road of rent control, and you're right: It's a fairly complex, controversial and long-standing issue.

What about the issue of costs no longer borne? Are you aware of that phrase, "costs no longer borne?"

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Mr. McMaster: I've seen you ask that question before in Hansard.

Ms. Horwath: You did your homework.

Mr. McMaster: The only real reference that I can find to it is—I'm assuming that it's supposed to have something to do with if you have a very large increase in your utility costs, for instance, so the landlord makes application to be able to increase the rent because of that, and then those costs go down. I'm assuming that's what is meant as a cost no longer borne.

Ms. Horwath: So therefore, the rent should go down.

Mr. McMaster: Therefore, the rent should go down.

Ms. Horwath: Any opinion of that kind of—

Mr. McMaster: I don't know what the logistics are. I think it all depends on if it's strictly utilities.

Ms. Horwath: I believe it's capital as well.

Mr. McMaster: That would certainly make sense if it's capital, because if it's utilities—I'm not sure about the rest of you, but my utilities don't go down; they just keep going up. If it's capital—

Ms. Horwath: So it's kind of moot when it comes to utilities.

Mr. McMaster: Yes, but if it's capital, then I can understand it. But I don't think you can quite plain and simply say that once the capital cost has been paid, it should automatically come off, because then there may be other costs that may come forward out of that. If it's a new piece of equipment, that new piece of equipment then has to be maintained and there has to be some kind of a reserve fund or something to be able to recapitalize it at some point in time in the future. If it was just that, and it was never, ever, going to have anything to do with it again, then it would make sense that it would come off. Is it replaced by something else? I think that's something that you have to look at on a case-by-case basis.

Ms. Horwath: OK. Do you have any knowledge or insight into the quality of housing stock in your area or in other areas of the province?

Mr. McMaster: Not really.

Ms. Horwath: Have you written any rental housing tribunal briefs, helped any tenants make submissions or

acted as an advocate at any time, or as a landlord advocate, for that matter?

Mr. McMaster: No.

Ms. Horwath: You said you have, though, attended as an observer to see—

Mr. McMaster: I went to one tribunal meeting back when this interview process started, just to see if I would like it. Since then, I've been to two others, just to get a bit of a flavour for what's going on.

Ms. Horwath: Do you have any adjudicative experience yourself? Have you ever been in a situation, other than as a councillor and deputy mayor, as an adjudicator? More in a quasi-judicial—

Mr. McMaster: Informal? No. My experience as an adjudicator could be limited to a council experience.

Ms. Horwath: All right. I guess the last question is, you indicated at the beginning of your remarks, or perhaps it was as a response to questions, that it was your understanding that the Tenant Protection Act was under review by the government. Do you know how long the act has been under review by the government and how many times they've broken their promise to bring forward changes to the Tenant Protection Act?

Mr. McMaster: No, I honestly don't. I know that it's being reviewed.

Ms. Horwath: Pardon me?

Mr. McMaster: I'm aware of the fact that it's being reviewed.

Ms. Horwath: OK. That's all, Mr. Chairman. Thank you, Mr. McMaster, for coming.

The Chair: The government members?

Ms. Smith: Thank you for being here. Could you just briefly take us through the process that you went through in the application to get to today?

Mr. McMaster: As I say, I made the application in—I can't even remember exactly when, but sometime in the spring, or maybe even early summer of 2004. I received a phone call for an interview for this committee, which would have probably been back in March of this year. The timing was bad for me, unfortunately. The tribunal was somewhat limited in the times that they had their group together to do the interview, and when they were available, I was in Florida, so we had to put it on the back burner.

It sat on the back burner until about the end of June, at which time I attended an interview, which was a verbal interview with the chair and two of the vice-chairs, I believe. That continued on to a written test with three or four cases that you had to come up with your opinion on. The process just continued from that, and then I heard that things were moving along well. The next thing was this committee.

The Chair: No more questions? Thank you very much, Mr. McMaster, for your presentation and your responses to our members' questions. You're welcome to stay. We have one more intended appointee and then we'll move to the concurrence votes. Thank you for joining us.

MEYSA MALEKI

Review of intended appointment, selected by third party: Meysa Maleki, intended appointee as member, council of the College of Nurses of Ontario.

The Chair: Our next intended appointee is Meysa Maleki. Ms. Maleki is an intended appointee as a member of the council of the College of Nurses of Ontario, part-time. Welcome to the committee. You've been in attendance, so you know how we work. We welcome an opening statement about your background and interest in the college, and then we'll begin a rotation of questions with the third party. The floor is yours.

Ms. Meysa Maleki: Thank you. I'll start with a brief statement. Good morning. I would like to thank the standing committee for giving me the opportunity to appear before you as an intended appointee to the College of Nurses of Ontario.

I'm here because I'm interested to serve in the public interest and I believe there is no other agency that plays a more crucial role than the College of Nurses, in that they regulate the front line of our health care system and, therefore, determine the lives of millions of Canadians.

You have my resumé before you. I would like to briefly elaborate on the skills that I think I will bring forth to this agency as a lawyer and, more importantly, to elaborate on the contributions I believe I can make to this agency as a public citizen.

I obtained a bachelor of science, specializing in psychology, at the University of Toronto before pursuing my law degree. I worked at the counselling and learning services at the University of Toronto, where I wrote and published numerous pamphlets on psychological disorders facing a college-age population, which to this day continue to be published and used by U of T students.

During my undergraduate years, I also volunteered at a centre in North York as a communication facilitator, assisting patients suffering from aphasia. This, I must add, was a most rewarding and challenging experience for me. I also volunteered at Women's College Hospital in downtown Toronto during my undergraduate years at the day surgery floor, where I acted as a liaison between patients and nurses and physicians, and I had to report back to patients on the status of their family and loved ones.

I have always held a keen interest in the interplay of law, medicine and ethics. In law school, I took law and medicine and learned of the myriad of legal/ethical dilemmas our health care providers face on a day-to-day basis and the impact of their decisions on the safety and well-being of our citizens. I also became familiar with the operation of the various colleges and the legislation under which they operate, in particular the Regulated Health Professions Act.

I was called to the bar of the province of Ontario in 2003. I am currently a family law practitioner in London, Ontario. Upon my call to the bar, I practised civil litigation and, in particular, personal injury litigation, in Toronto, where I represented injured clients, many of whom had very debilitating brain and spinal cord in-

juries. I became familiar with the insurance legislation, as well as the Health Care Consent Act, and learned of the importance of record-keeping by physicians, residents and nurses through assisting senior counsel with medical malpractice cases.

My husband is a physician. My move to London, Ontario, was a result of his acceptance as a first-year resident in the orthopaedic surgery program at the University of Western Ontario. While I thoroughly enjoy my career as a family law practitioner, I continue to have a keen interest in health care and I frequently discuss with nurses and other physicians with whom my husband works the ways in which health care in our province can improve and problems and obstacles they face on a day-to-day basis. It is through these everyday anecdotes that I continue to assess and revise my own views in which health care in our province can be improved.

I'm aware of this college's mandate to protect the public's right to quality nursing services in self-regulation, and I believe I can make numerous contributions should my appointment be confirmed by you today. As a lawyer, I offer to the college my understanding of the governing acts and regulations, my ability to analyze all sides of an argument and to then make an independent and free conclusion. As a public citizen, I offer to the college my keen interest to continuously build on my knowledge in the area, to bring forth the public perspective to council discussions and to passionately contribute to the development of excellence in nursing practice in the public interest.

The Chair: Ms. Maleki, thank you very much for your opening statement. We begin with the third party.

Ms. Horwath: Thank you, and good morning. So, why exactly did you apply for the position?

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Ms. Maleki: To the College of Nurses in particular? I believe, as I stated in my opening statement, that nurses are the front line of the public health system. Because of my interest in health care, particularly in the College of Nurses, and my ability as a lawyer to bring forth my legal skills and my views as a public citizen, I believe that I could be an asset to the College of Nurses. That's the reason I applied.

Ms. Horwath: You talked a little bit about your experience in some of the work that you did in your undergraduate studies as well as some of the work you did, I think you said, at Women's College Hospital.

Ms. Maleki: Correct.

Ms. Horwath: But have you ever been a nurse or worked directly in the health care field?

Ms. Maleki: No, I have not.

Ms. Horwath: Can you expand a little bit about the work you were doing that was bringing you to the front lines? You talked about working with family members to give them the information about the status of their family member who was in hospital. Can you expand on that a little bit?

Ms. Maleki: Sure. My role was basically to go and speak to the physicians and nurses—these were patients

who were in day surgery—and continuously go back and forth and reassure the family members that the day surgery had gone OK and that they would be out soon, or give them an idea of the timing of when they would be released and when they could come back and be there for them.

Ms. Horwath: What other kinds of community work have you got experience in?

Ms. Maleki: I'm currently a board member of the Bam Disaster Children Relief Committee—that's in my resumé. I'm an Iranian Canadian. I sat on the committee, which raised about \$80,000 to support the Bam earthquake. I'm also a part of the Iranian-Canadian Movement Against Poverty. We've just recently set that up in order to assist the underprivileged members of the Iranian-Canadian community. I'm also a board member of the Iranian Canadian Lawyers Association, and through that, again, our mandate is to increase the knowledge of our public, the Iranian-Canadian community, about legal issues. We've submitted a report to the paralegal task force. So that sort of thing.

Ms. Horwath: Great. But have you ever worked specifically with nurses or advocated for nurses or any of that kind of thing?

Ms. Maleki: The closest I've come to working with nurses was, first of all, when I was a personal injury lawyer. We had a staff nurse. I frequently went through the more complicated cases where there were debilitating spinal cord and brain injuries and used her assistance; and again, through my position at Women's College Hospital, but other than that, no.

Ms. Horwath: Would you be aware of any of the key issues that nurses would say are facing them and their profession right now?

Ms. Maleki: I think I am. I would think that one of the first crises right now is whether the promise to hire 8,000 more nurses in light of the 15,000 nurses that may be retiring by 2008—I think that's a real gap in the system that needs to be addressed. Through my position at the college, why nurses are retiring at the ages of 57 and 58, before the mandatory age of retirement, I think, needs to be addressed. We need to address the job satisfaction of nurses and to really keep them, because they are an asset. Especially with that level of experience, they are an asset, and we don't want to lose them. So I think that's a dilemma.

Ms. Horwath: All right. You have actually raised the issue of the 8,000 nurses that need to be hired or that were promised to be hired, but it seems to be taking a bit of time. I'm glad that you raised it; I think it speaks well of your passion on the issue. Can I assume, then, that if issues come up that pertain to nurses, in your capacity as someone who is going to be on this particular body and you have concerns with what's happening in the realm of government, would you be prepared to speak up on those issues?

Ms. Maleki: Absolutely. I think that's what I am there for. I have my own views on what is right and what isn't, and that's what I hope to be able to contribute to the council.

Ms. Horwath: Excellent. At the beginning of my questions, I didn't get how you heard about the position.

Ms. Maleki: A colleague of mine is currently a council member. She was appointed last year. I found out about the position through her, but then I checked the Web site and applied through the Web site.

Ms. Horwath: What is your general understanding of the role of the college?

Ms. Maleki: I know that they became a self-regulatory body in 1963. I know that the council position I'm applying for is to really bring forth the public interest, and that the council is a regulatory body that frequently addresses the issues we're talking about right here.

Ms. Horwath: Usually I start off—you probably noticed, if you were here earlier—with questions around political affiliation and political donations. I know you were quite open about that in your CV, and I just want to have that on the record.

Ms. Maleki: Sure.

Ms. Horwath: Are you a member of any political party?

Ms. Maleki: I am not a member. I was a member of the Liberal Party of Ontario in 1997 or 1998. I have not been a member since that time.

Ms. Horwath: Do you provide donations to any particular political party?

Ms. Maleki: I provided a one-time modest donation to the Liberal Party of Ontario during the 2003 campaign.

Ms. Horwath: Thank you very much, Meysa, for coming in.

The Chair: We'll go to the government side.

Ms. Deborah Matthews (London North Centre): It's nice to see you. I'd like to acknowledge you as a new constituent of mine. Welcome to London North Centre.

Ms. Maleki: Thank you.

Ms. Matthews: I just want to commend you for offering yourself for this very important position. I think you'll be an outstanding member. Again, welcome to London.

Ms. Maleki: Thank you. I appreciate that.

The Chair: A fine city. I spent a couple of years there at Western myself—four, as a matter of fact; four of my favourite years. I was probably a London North resident as well.

Ms. Matthews: Yes, indeed, I bet you were.

The Chair: Comments or questions, government members? The official opposition?

Ms. Scott: Welcome to the committee today. I'll follow up on some political questions, if you don't mind, and then I'll go more into the nursing questions.

I think we noted that you were a campaign volunteer for both George Smitherman and Greg Sorbara in 2003; is that correct?

Ms. Maleki: That's right.

Ms. Scott: You were an Iranian-Canadian Liberal Party of Ontario board member from 1998 to 1999?

Ms. Maleki: That's correct.

Ms. Scott: Ms. Horwath asked you questions about donations, so I won't go into that. Just to be clear, you are not a member of the Liberal Party at this present time.

Ms. Maleki: I have not been since 1999.

Ms. Scott: OK. Do you feel your involvement with the ministers I have just mentioned had anything to do with your appointment for today's process?

Ms. Maleki: Not at all.

Ms. Scott: That's not reflective of your background; you have a very impressive background, and I appreciate that.

Ms. Maleki: Thank you.

Ms. Scott: When you did the process of applying, did you speak to any staff members of any Liberal MPPs or Liberal cabinet ministers?

Ms. Maleki: No, other than the one person who contacted me about my application. I don't know if that's—

Ms. Scott: Was there a name—

Ms. Maleki: Mr. Sukpal.

Ms. Scott: And you don't know what office or what title?

Ms. Maleki: I don't know what position he holds. He asked me questions about my resumé and application.

Ms. Scott: OK. I'm going to ask some questions. Before I became an MPP, I was employed as a nurse for over 20 years, varying between full-time and part-time, outside the country and in the country, mainly in acute care settings. I've spoken to a lot of nurses' associations since I have become an MPP and have seen the political side of nursing. A lot has been mentioned about nurses and RPNs—registered practical nurses—who are also on the board you are sitting on—you have RNs and RPNs, as well as the public.

You brought up a great point in saying, "Why is there dissatisfaction and why are nurses not staying in the profession?" They tell me that the numbers of RNs and RPNs who aren't working in Ontario are quite large. That's certainly a lot of talent that we're not harvesting into our health care setting. I just wondered if, in your past experience, especially in your undergraduate studies, you had any recommendations or any thoughts about how we could possibly attract both RNs and RPNs back into the workforce in Ontario.

Ms. Maleki: I think job satisfaction needs to be assessed. I note through speaking to my husband—for example, he told me the other day that a lot of nurses complain about boredom at times. For example, if they're doing ER for a while, they'd like to change floors and go to something else. He said that's part of the reason. And the other reason is numbers. If you reduce the stress on nurses, I think that would definitely increase job satisfaction, so that's another thing. The government has promised to hire 8,000 new nurses. Whether that will come to fruition or not, we'll have to wait and see, but I think those are the sorts of things we need to be looking at.

1120

Ms. Scott: I agree. Out of the discussions with the professor at York University in the nursing programs—

no one has really ever asked the nurses what they'd like. I'll pick one of the topics that they probably haven't been asked about, and a lot of it is flexibility in scheduling. I know when I worked in the state of Florida—I would work three or four months at a time as a travel contract—we had many more choices. We could do self-scheduling; we could do days; we could do nights. I know there are some barriers in the province that maybe need to be brought down in order to enable some more flexibility in the hours, because predominantly they're women in the nursing profession and they have young children and they're trying to balance home and work lives.

I just wondered if it would be possible that you could instigate or bring up the possibility of having nurses actually surveyed, and see if there was ever a study done of nurses and maybe how we could make it a more suitable lifestyle for them in your role on the board.

Ms. Maleki: Absolutely. I do believe, from my review of their Web site, that they do frequent surveys and there are focus groups. I would definitely like to see more of that and ways to improve it—because all those things cost money—in the most efficient manner.

I know, as per the quality assurance program, they do consultations with hospital staff on a yearly basis on things that seem to be working and not. Maybe as part of that you could take it a step further in really getting the views of nurses on ways they think it can be improved and their job satisfaction improved and their level of stress can be reduced. Because, with increased job satisfaction, I think we will fulfill our mandate, which is to provide quality nursing to the public.

Ms. Scott: I have a rural riding that I represent, Haliburton–Victoria–Brock. I worked in the Lindsay hospital, Ross Memorial Hospital. There isn't the acute nursing shortage in rural Ontario as there is in the cities. They still would like more full-time work but not all of them want full-time work, so it's trying to find the balance.

You also mentioned that your husband is a physician and brought up the high workloads. There is no question that studies have been done repeatedly: the fewer nurses at the bedside, the higher the mortality rate. There is no question. We did speak with the RPNs, I believe just last week, and certainly studies have shown that the model of care of an RN working with an RPN does deliver a higher level of care to the patients.

I'll just give you some background information, that some needs in rural Ontario are different than urban Ontario; also, the role of nurse specialists and nurse practitioners. I just wanted to know if you had any comments about if we could increase the roles for nurse practitioners and nurse specialists not only in the hospitals but in the communities. I don't know if you have much background with that.

Ms. Maleki: I do have some background. I believe that nurse practitioners are a tremendous asset. I don't believe that in all areas they could substitute for a family physician. There have been studies done—I think there was a study done in Brampton some years ago, if I'm not

mistaken about the city—and when they compared patient satisfaction and patient care, people were just as happy with the nurse practitioners as physicians.

I think in rural areas, as you mentioned, where there is definitely a lack of family physicians, they provide primary health care and are there for these patients. My views on nurse practitioners are that they're a tremendous asset, not a definite substitute for family physicians, but the controlled acts that they are authorized to do are clearly set out in the legislation. I believe they can exercise judgment, when they feel that they're not up to the job or that it's beyond their level of competence, to refer it to a family physician or a specialist or to get outside help. So I'm in favour of nurse practitioners.

Ms. Scott: There's no question that nurse practitioners have a role. In the city of Kawartha Lakes, which is one of the areas I represent, we're short 15 family physicians. Nurse practitioners certainly have a role, and I'm hoping there are more family health teams that are going to be announced by the present government and, for the ones originally announced, that the money will flow.

I didn't know if you knew that there is some problem attracting nurse practitioners, but there is also low enrolment in the new RN program, the diploma that has gone to the baccalaureate. There's decreased enrolment in the RN program, and also nurse practitioners are harder to attract to rural areas. It's more if you knew of different incentives or suggestions that could make for different changes in legislation to get more nurse practitioners out in the communities and the hospitals.

Ms. Maleki: It's really a personal lifestyle decision, to attract them to rural areas. I think for the same reasons that family physicians often prefer to stay in urban areas, so do nurse practitioners. I think if remuneration were to go up for nurse practitioners in rural areas, that would definitely be an incentive.

I think for registered nurses, frankly, if more positions became available, they would attract people to become registered nurses. Reading in the newspaper that there are not enough jobs out here, I frankly wouldn't want to pursue four years, have OSAP right behind my back, come out with that loan money and not be able to get a job. So I think those are the incentives that we need to focus on.

Ms. Scott: Thank you very much for your comments there. Certainly, our new grads leaving the country has been a big problem in the past, so any type of retention measures, which are really full-time jobs, would be appreciated by them.

The Chair: Ms. Maleki, thank you very much for your presentation and your response to members' questions. You may step down.

We're now going to move to the concurrence votes on our intended appointments today. We'll proceed in the order that they appeared before the committee.

We will now consider the intended appointment of Jeffrey John Hamblin, intended appointee as member of the Hamilton Community Care Access Centre.

Mr. Berardinetti: I move concurrence.

The Chair: Mr. Berardinetti moves concurrence. Is there any discussion on Mr. Hamblin's intended appointment? Seeing none, all those in favour? Any opposed? It is carried.

Congratulations, in his absence, to Mr. Hamblin on his appointment to the Hamilton Community Care Access Centre.

We will now consider the intended appointment of Bryan De Sousa, intended appointee as a member of the council of the College of Audiologists and Speech-Language Pathologists of Ontario.

Mr. Berardinetti: I move concurrence.

The Chair: Mr. Berardinetti moves concurrence. Is there any discussion of Mr. De Sousa's intended appointment? Seeing none, all in favour? Any opposed? It is carried.

Congratulations to Mr. De Sousa on his appointment to the council of the College of Audiologists and Speech-Language Pathologists.

We will now consider the intended appointment of James Grant McMaster, who is with us, as intended appointee as member of the Ontario Rental Housing Tribunal.

Mr. Berardinetti: I move concurrence.

The Chair: Mr. Berardinetti moves concurrence. Any comments or discussion?

Ms. Horwath: I think it's important to note that although Mr. McMaster has an extensive background in many different areas, he didn't seem to have a lot of background or knowledge of the Tenant Protection Act and the issues facing landlords and tenants in the province of Ontario. That raised a little bit of concern with me, so although he seems a very capable person and someone who—I think it was he who said he is a quick learner. I still get concerned that some of these tribunals, particularly the Ontario Rental Housing Tribunal, have seen a number of appointments of people who really don't have the background or experience necessary to get up and running very quickly. So I'm going to reserve my vote on that one.

The Chair: Thank you. Any further discussion? Seeing none, all in favour? Any opposed? It is carried.

Congratulations, Mr. McMaster. All the best on the housing tribunal.

We will now consider the intended appointment of Meysa Maleki. Ms. Maleki is the intended appointee as member of the council of the College of Nurses of Ontario.

Mr. Berardinetti: I move concurrence.

The Chair: Mr. Berardinetti moves concurrence. Any questions, comments? Seeing none, all those in favour? Any opposed?

Congratulations, Ms. Maleki, and all the best on the College of Nurses.

1130

COMMITTEE BUSINESS

The Chair: Now that we have moved through our intended appointments and the concurrence votes, I said I

would come back to other business. Let me just say, Ms. Scott had mentioned she had other business. We will be reconvening on a regular schedule from now on. So Wednesday, October 26, we'll be back in session. We have a full slate of intended appointees to be reviewed.

Other business? Ms. Scott.

Ms. Scott: I want to bring forward a motion. The clerk is passing out the motion. It's referring to standing order 106(e). This is the committee that was set up to provide the overview of the appointments related to the Greenbelt Foundation in yesterday's questioning in the Legislature. We wanted to bring this forward to the committee so that the government's not trying to introduce partisanship into the appointments process. We have the ability, as the opposition parties, to highlight that. So it's an important part of ensuring government transparency.

I know the previous NDP government had the integrity to establish this committee when they were in government. The original recommendation was to set up this oversight body, which was made when the Liberals were in government, but they chose to ignore those recommendations. As things stand now, we have a limited mandate and can only review some of the appointments.

This board is one that has an important function and is responsible for spending money on behalf of the government. Appointments to this board should be reviewed by this committee, especially because of the nature of the work that they will be doing. The people of Ontario deserve to know whether the appointments the government makes to this board are the best-qualified individuals or they're simply political hacks. The appointments should not be made under this cloak of secrecy; they should be subject to review.

We're concerned that the present McGuinty Liberal government has once again abused the public trust by acting in contravention of their own legislation. The Government Advertising Act was put in place to prevent the government from engaging in self-serving promotional advertising, and it has come to light that the McGuinty Liberals are circumventing this legislation by channelling advertising dollars through a foundation set up under the Corporations Act.

The Greenbelt Foundation was created by the McGuinty Liberals in June 2005 and given a grant of \$25 million in taxpayers' dollars, with no checks and balances to ensure that these funds were allocated appropriately. Furthermore, the current board of the foundation, which was appointed quickly through the back door, includes the deputy minister appointed by the Premier. They have now launched a \$1.5-million political advertising campaign to persuade Ontarians that the Liberal "greenbotch" is a good thing. This abuse of public trust and public funds by funnelling government advertising dollars through the back door cannot be tolerated by Ontario taxpayers, and we in the opposition are demanding more accountability.

Therefore, I would like to move that the current board members be asked to appear before this committee in

order to review their fitness as appointments to the purportedly independent Greenbelt Foundation. The motion has been passed out. I'd like to ask for a recorded vote on this motion but, as I've said before, I want to enforce that this motion is brought before the committee to ensure that safeguards are in place and we don't end up with a provincial Liberal Adscam. I'm sure that the members of the government do not want to see that happen.

Referring to standing order 106(e), I'll read the motion as follows:

Whereas, on June 16, 2005, the government announced the creation of the Greenbelt Foundation and provided a \$25-million grant to fund the operations of the foundation; and

Whereas the McGuinty Liberals appointed a five-member interim board, including the current Deputy Minister of Natural Resources, to oversee the operations of the foundation; and

Whereas the Greenbelt Foundation has launched a 12-week, \$1.5-million political advertising campaign to promote the newly legislated greenbelt; and

Whereas the McGuinty Liberals have passed legislation banning such partisan political advertising;

The standing committee on government agencies requests that all current appointments to the Greenbelt Foundation be reviewed by the committee and that all future appointments, including the inaugural permanent nine-member board to be appointed in March 2006, be reviewed by this committee.

The review of these appointments should consider the inherent political nature of the greenbelt process to ensure that prospective appointees have no direct affiliation with the McGuinty Liberal government and are in fact independent and free from political influence. The review should also consider that the foundation has been charged with the responsibility of allocating \$25 million in taxpayer money, \$1.5 million of which has already been squandered on partisan political advertising, in contravention of the McGuinty Liberals' own law.

I ask for a recorded vote, Madam Clerk.

The Chair: Before we move to a vote, we're open to debate. Questions and comments?

Ms. Horwath: It's interesting that this motion is coming forward. Some of the issues outlined here have been a concern to New Democrats as we've watched what's been happening. Can I just ask if anyone has an update—perhaps you, Mr. Chairman, or perhaps research—on what the status of the bill is with the political partisan advertising that the Liberals introduced Lord knows when? When was that bill introduced, and what is the status of it now?

The Chair: You've caught me a bit off guard. I don't know the status of the legislation. I believe it was passed, but as Chair, I don't have any—

Ms. Horwath: No, I don't think it has actually gone through the final process. I don't think it has received royal assent.

The Chair: We were just provided with this, I think, a couple of minutes before the members were, so we don't

have any particular research on the status of the legislation.

Ms. Carrie Hull: I can get back to you when I find out.

Ms. Horwath: Can I just ask the mover: Is the intention to have this done right today as opposed to put it on for next week's meeting?

Ms. Scott: We'd like to review the intended five-member interim board as soon as possible. I leave it to the clerk for procedures. I would like it voted on now because I'd like to interview the board members as soon as possible for the interim board.

Ms. Horwath: I was just asking for some clarification. If you prefer to have this motion voted on today, I have no problem with that, but it would have been helpful if we'd had this before.

I think it's really interesting that that bill got tabled—I don't even recall when; I wish I had it in front of me—because I think it illustrates that, notwithstanding the purported commitment to making sure that all of these things are more transparent, in fact what we have is every opportunity being used by the government to take advantage of the fact that the bill hasn't been proclaimed yet. This particular advertising indicates that there is really a lack of commitment by the McGuinty Liberals to get that bill passed and to make sure that the scrutiny that's required on political partisan advertising is being undertaken.

I also agree that the need is apparent—maybe for different reasons—for having these foundation members reviewed by this committee. The greenbelt has been a controversial issue, but is certainly one that will continue to be controversial in the future. I believe the requirement of having these members of this foundation go through the appointments process would be an appropriate thing to do.

Although I'm a bit taken aback by not knowing that this motion was coming, and not having all of the information that I would like to have in regard to the situation as it currently stands in the legislative process of the advertising bill, I do believe that this is certainly in the right direction and can support it in spirit, and with my vote as well.

The Chair: Any other comments or questions?

Mr. Berardinetti: Briefly, Mr. Chair. The appointments process is regulated through our standing orders. With the greatest of respect, if Ms. Scott or any other member has a problem with that process, then I think it should be taken up with the respective House leaders at a House leaders' meeting. So I will not be supporting this motion today.

The Chair: Any other comments or questions?

Ms. Scott: I'd just like to make the comment that, because the advertising is going on presently, if the procedure is to go through the House leaders, then they should discuss it as soon as possible so that if we have an opportunity—which I would like, obviously, by this motion—to interview the five-member interim board, we would appreciate that. They've been allotted \$25 million.

We have to know how that money's being spent and we only know partially that \$1.5 million is being spent on partisan advertising, which the present government has brought in legislation to ban.

Ms. Smith: I can't stand it any more.

The Chair: Ms. Smith?

Ms. Smith: Ms. Scott has alleged that political advertising is occurring, and we have no such information or evidence. The Greenbelt Foundation was structured in order to promote the greenbelt. There are various organizations across the province that promote good environmental concerns. This particular motion that she's put forward is incredibly political, and for that reason, of course we will be voting against it.

Ms. Scott: The motion has been brought forward so we can see where the money is being spent and for transparency and accountability. You have brought legislation in with respect to that. So I don't see why it's not appropriate that we possibly interview the five interim board members to ask them what guidelines they've been given and if they've been given direction as to where the \$25 million is to be spent.

The Chair: Further debate or comments?

Before we call a vote on this, I need to make sure the motion is in order. I think members know—Mr. Berardinetti referenced the standing orders—that the committee has the ability to compel intended appointees to agencies that are orders in council. Because staff have just been presented with the motion, we're not sure at this

point in time if the Greenbelt Foundation is an OIC agency or not. I think members know that if it's not an OIC agency, we don't have, under the standing orders today, the ability to call them before the committee.

I'll tell you what. Since we just presented them with this and they're doing some research, I'm going to take a five-minute recess and confer with the clerk and research. We'll come back in five minutes, at 11:50.

The committee recessed from 1142 to 1153.

The Chair: The standing committee on government agencies is now back in session.

Folks, we have a motion on the floor. We've been doing some research, and I thank staff from the bench here, the clerk and the research officer.

We're getting close to noon, and we're still not clear on exactly what the appointment process is surrounding the Greenbelt Foundation. I think members know that within the standing orders there is an OIC appointment process; that's how members are appointed, and then members can call them to come before the committee. There are other members who are appointed by ministerial letter. Now, the process is they cannot be called before the standing committee.

What I'd like to do is reserve my decision until the next meeting of this committee so that we have full information on the Greenbelt Foundation and how they're appointed.

Given that, this meeting is adjourned.

The committee adjourned at 1154.

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Wednesday 26 October 2005

Journal des débats (Hansard)

Mercredi 26 octobre 2005

**Standing committee on
government agencies**

Intended appointments

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STANDING COMMITTEE ON
GOVERNMENT AGENCIESCOMITÉ PERMANENT DES
ORGANISMES GOUVERNEMENTAUX

Wednesday 26 October 2005

Mercredi 26 octobre 2005

The committee met at 1005 in room 151.

COMMITTEE BUSINESS

The Vice-Chair (Ms. Andrea Horwath): Good morning, everyone. We're going to start the meeting of the standing committee on government agencies. I'm going to, as usual, reserve the other business till the end of the meeting, if that's all right with the members, but I do want to begin with the Chair's ruling regarding Ms. Scott's motion of our meeting of last week. I can just share with you the ruling.

"On Wednesday, October 19, the member for Haliburton–Victoria–Brock, Ms. Scott, moved a motion regarding the Greenbelt Foundation. After some debate, the Chair stated that he would reserve his ruling on the orderliness of the motion until we could clarify the status of the Greenbelt Foundation, which we were unable to do at the time of debate.

"The Greenbelt Foundation is a non-profit corporation, with no shareholders, that is seeking charitable status. It was created in June 2005 by the government and was given a one-time \$25-million provincial grant to help cover start-up and ongoing costs. A five-member interim board was appointed by the Minister of Municipal Affairs and Housing via ministerial letter and announced on June 16, 2005.

"The orders of reference, standing order 106(e), for the standing committee on government agencies state that the committee is empowered to:

"review and report to the House its observations, opinions and recommendations on the operation of all agencies, boards and commissions to which the Lieutenant Governor in Council makes some or all of the appointments, and all corporations to which the crown in right of Ontario is a majority stakeholder ..."

"The Greenbelt Foundation is not an agency, board or commission to which the Lieutenant Governor in Council makes some or all of the appointments. It is not a corporation to which the crown in right of Ontario is a majority shareholder. The appointments to the Greenbelt Foundation are therefore not subject to review by the standing committee on government agencies.

"Therefore, the Chair must rule that the member's motion is out of order."

I thank you for that. Unfortunately, there is no debate on the ruling by the Chair on this matter. So we're going

to continue on in the meeting. If there's any other business, we can look at that at the end.

Mr. Joseph N. Tascona (Barrie–Simcoe–Bradford): May I just ask, Madam Chair: You read something. Are you going to give us a copy of your ruling or should we take it from Hansard?

The Vice-Chair: Absolutely. We can provide copies.

The only other thing I wanted to bring to your attention—I believe you have copies in your package—is the correspondence that we received from Debra Roberts regarding the issue of vacancies on committee. You'll have that in your package as well. I wanted to bring that to your attention.

Also, to let you know, obviously our Chairperson is unable to attend this morning, so I've been asked to fill in. I would like to ask for the committee's permission to remain sitting in this seat as we go through the rotation to ask questions. That's certainly up to you, but I'd prefer not to have to play musical chairs every time. Is that a problem?

Mr. Ernie Parsons (Prince Edward–Hastings): Agreed.

The Vice-Chair: Thanks very much. I appreciate that.

SUBCOMMITTEE REPORT

The Vice-Chair: Our next order of business is the report of the subcommittee on committee business dated Thursday, October 20, 2005. Can I have its adoption moved?

Mr. Parsons: Yes, I would move adoption.

The Vice-Chair: Thank you. Moved by Mr. Parsons. Is there any discussion? All those in favour? Any opposed? That's carried.

INTENDED APPOINTMENTS

PETER O'BRIAN

Review of intended appointment, selected by third party: Peter O'Brian, intended appointee as Chair, Ontario Educational Communications Authority (TVOntario).

The Vice-Chair: We're going to move right now, then, into the appointments review. Our first interview is with Peter O'Brian, intended appointee as Chair, Ontario

Educational Communications Authority, or TVO. Mr. O'Brien, if you're here, can you come forward to the end of the table?

Mr. Peter O'Brien: Thank you. Good morning.

The Vice-Chair: Welcome and good morning. I'm just going to explain to you a bit of our process here so that you have an understanding of what we do. You have an opportunity, initially, to make some remarks, to make an initial statement. If you choose to do so, the time that's allotted during that statement is then taken from the government side of the questioning. After you have completed your statement, on a rotational basis, you'll be asked questions by the various members around the table. That's pretty much it. So after you have completed your statement, we'll begin the questions with the government side.

Welcome, once again. Congratulations on being our first person of the day to interview. The floor is yours.

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Mr. O'Brien: I'm honoured to be nominated by cabinet for the position of chair of the Ontario Educational Communications Authority, comprising TVO, TFO, the Independent Learning Centre and other important components, which is collectively, for the purpose of discussion, referred to as TVO, in general. I hope that's OK. I'm pleased to be here today with you to discuss my background and where I would fit in with TVO. Thank you for the opportunity.

My background is as a producer of Canadian dramatic feature films for theatrical release and television broadcast. Maybe you've seen one or more of them. I'm always supposed to name some of them, because people ask. They include *The Grey Fox*, *My American Cousin*, *One Magic Christmas*, *Gordon Pinsent's John* and *the Missus*, *Far From Home*, and *Hollywood North* is a film I recently directed and was an executive producer on. These and other films have won 19 Genie awards at home, including two for best picture; a Golden Globe nomination, which was a great adventure and some international awards as well.

My career purpose has been to help bring the stories and cultures of our country to Canadians through film and television, and to help build or shape some of the various cultural agencies and institutions necessary to deliver them. Many of these didn't exist when I started out in 1970, which, coincidentally, was the beginning of channel 19 and TVOntario.

In that cause, I've served many non-profit media boards of directors. For example, at Norm Jewison's request, I served as a founding board member of the Canadian Film Centre, chaired its selection committee, served as its executive director for its first three years of operation and established its central educational program, called the resident program, which is still in place today.

I was on the board at the Toronto International Film Festival, the Canadian Film and Television Production Association and the Academy of Canadian Cinema and Television.

As far as TVOntario is concerned—now that that part is out of the way, fortunately—I've been an avid fan and

an audience member of TVOntario since it went on the air as channel 19 and subsequently as TVO in 1976. I have been impressed throughout that time with its outstanding service to Ontarians, which includes my own family: Carolyn and our two sons. It has made a great difference in our lives.

I'm excited about the added potential which comes as it supports the government's education agenda as it comes back into the Ministry of Education, with the mandate to align its services with the government's education goals and, I think, to take advantage of the changing technological and communications environment and the Internet world. I hope that my vision of high-quality, original programming, reflective of our own culture and its positive effect on people's lives, is complementary and supportive of TVO's mission.

I'm just going to read what the minister said—it's actually not the quote of the minister; it's in the news release of September 29. It says: "The new leadership" of TVOntario "will be asked to conduct an internal review of the organization. The review will have two purposes: to ensure that the government is getting full value for its \$58.8-million funding of TVOntario and to ensure that its activities align with the government's education priorities and becomes as relevant as possible to all Ontarians."

The government's decision to separate the roles of chair of the board and chief executive officer, the chair being a part-time, non-executive role, makes it possible for me to come out of my life as a producer in my work and allows me to potentially contribute to what I think is the brilliant future of TVOntario. I would very much like to do that.

The Vice-Chair: Thank you, Mr. O'Brien. We have about five minutes for the government to ask any questions they might have; they're first on our rotation. So I'll just leave it to you, Mr. Parsons.

Mr. Parsons: Mr. O'Brien, we have absolutely no question about your qualifications for this role and are simply pleased that you're prepared to take on the challenge.

Mr. O'Brien: Thank you.

The Vice-Chair: Mr. Tascona?

Mr. Tascona: Thank you, Mr. O'Brien, for attending here today. We have some questions with respect to this appointment. How were you approached about this position?

Mr. O'Brien: Being in the media community, I knew that Isabel Bassett's term was coming up. However, I didn't apply on that basis. It wasn't until I knew that it would be split—Isabel Bassett was chair and CEO, as was her predecessor. When I realized that it would be separated, I mentioned it to a couple of people, and then I heard from the appointments secretariat, asking if I was someone who might be interested in doing that, and if so, I should apply like anybody else.

Mr. Tascona: Who in the appointments secretariat—

Mr. O'Brien: Debra Roberts.

Mr. Tascona: Debra Roberts.

Mr. O'Brien: So I immediately applied.

Mr. Tascona: But whom did you speak to? Did you speak to anyone from the government about this?

Mr. O'Brian: I did later on. After that, I talked to Minister Kennedy. I hoped he would speak to me about his vision of TVO, and he did. Consequently, I remained in application; I liked what he had to say.

Mr. Tascona: So you're obviously aware that TVO has recently moved to the Ministry of Education from the Ministry of Training, Colleges and Universities. Can you tell us what you think of that change?

Mr. O'Brian: What it does is bring into focus, obviously, the need to align—the original use in the act, I think; I haven't read the act recently, but if you read the CRTC information on TVO, it is very specific that it is to support the education agenda, so I think bringing it under the ministry brings that more into focus, perhaps, and allows those resources to come into play. TVO does this pretty well now, but perhaps we would be able to look at that when we do our review; that is to say, if I'm there. From my point of view—

Mr. Tascona: I'll get to that part.

Were the change in ministerial responsibility and the change of focus discussed with you during the selection process?

Mr. O'Brian: No, they weren't.

Mr. Tascona: The board has had very capable leadership over the last several years from Isabel Bassett. What do you see as your priorities during your term as chair?

Mr. O'Brian: For one thing, it would be a different role because those two roles are separated. The management, under the CEO, Lisa de Wilde, will run TVO and implement everything and look after everything.

Mr. Tascona: What are your priorities?

Mr. O'Brian: Firstly, the internal review and the assessment of how TVOntario is doing what it's supposed to be doing, the two particular priorities of the review being, is it delivering and what can it do better in terms of aligning its agenda with the government's education policies? So my first priority, once I have been in touch with the board and senior staff, and particularly the CEO, would be to get on with that assessment.

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Mr. Tascona: Any other priorities?

Mr. O'Brian: Until that's done, I don't think we'd be able to set priorities.

Mr. Tascona: What do you think TVO's greatest strength is?

Mr. O'Brian: As a public broadcaster, it educates, it illuminates. It is the electronic hearth for Ontarians—a little bit of an intellectual phrase—and I think it does that wonderfully well. It delivers original programming, high-quality news magazine programming and children's programming, as well as a student Internet interface, something that has to be incredibly important today, considering—and I don't know where this statistic comes from—that kids in the teenage years are in front of their computers more than they are in front of television.

Mr. Tascona: What areas, if any, do you think TVO needs improvement in?

Mr. O'Brian: Again, I don't think I can say without doing the review. As soon as people hear that you might have something to do with TVO, they start suggesting various things to you—TVO could do that or could do this—all very positive future things. But no one says, as they come to me, that TVO is doing anything particularly badly. I like the idea that there may be some things we can improve.

Mr. Tascona: While you're in this position as chair, I take it you'd continue with your—you're an independent producer of films?

Mr. O'Brian: Right.

Mr. Tascona: You're going to continue to do that?

Mr. O'Brian: Yes, I am.

Mr. Tascona: How do you think that fits in with your role as chair?

Mr. O'Brian: I think it's great. It allows me to do my own work. At the moment, that's writing and developing projects. There's plenty of time and flexibility to apply myself to this important role.

Mr. Tascona: Is there anything you want to add in terms of why you want this position?

Mr. O'Brian: I think I've said that TVO is an important part of my life as an Ontarian. I watch it every day. I'd like to see it continue to thrive. Public broadcasting is vitally important in the life of a community—I'm looking to see if I'm leaving something out. I'm interested in communications and technology and what they can do. I'm interested in the issue of teaching kids and being useful in that area. Our own children are now 24 and 22. I think that if some of the Internet programs had been available 10 years ago—they've started to come on at TVO in the last five years or so—that would have made a difference to me. I really think it's a very positive agency of the government.

Mr. Tascona: Looking at your references—you have three references—one is Barbara Hall, whom I think most people are familiar with: the former mayor of Toronto, now working for the Ministry of Health with George Smitherman. Chalmers Adams: I don't know who that person is.

Mr. O'Brian: Chalmers Adams is my lawyer. He does entertainment work. He was a producer and has produced something recently. He is a brilliant and thoughtful solicitor and friend—

Mr. Tascona: Is he with a firm?

Mr. O'Brian: He is in his own firm. He practises by himself.

Mr. Tascona: And Kevin Shea?

The Vice-Chair: That's about the end, Mr. Tascona—just this last question.

Mr. O'Brian: Kevin Shea of Global—what is Kevin Shea? It's gone straight out of my mind. He's just been involved in—anyway, Kevin Shea has been president for some time of a new Internet Webcast company.

Mr. Tascona: Thanks very much

The Vice-Chair: It seems awkward, Mr. O'Brian, but now it's time for the third party, which is me, and I've asked permission of the committee to stay here instead of

jumping back and forth to the seat over there. So I'll hand the chair over to Mr. Tascona while I ask my questions, if that's all right.

The Acting Chair (Mr. Joseph N. Tascona): Ms. Horwath, do you have any questions?

Ms. Andrea Horwath (Hamilton East): Yes, I do, thank you very much. Mr. O'Brien, you were talking a little earlier in the beginning questions of Mr. Tascona about how you heard about the position through the appointments secretariat. I want to follow up a little bit on your relationship with the government. Can we assume that you are a member of the Liberal Party?

Mr. O'Brien: Yes.

Ms. Horwath: And you're a donor to the Liberal Party?

Mr. O'Brien: Yes.

Ms. Horwath: Both provincially and federally?

Mr. O'Brien: Yes.

Ms. Horwath: Can I ask how well you know Minister Kennedy on a personal level?

Mr. O'Brien: I'm glad to say I know him a bit. I don't know what he would say to that. I've met him several times, and my wife, Carolyn Bennett, and he have met on occasion to talk about various things to do with government policy and that sort of thing, over quite a long period of time. That's how I met him.

Ms. Horwath: I'm glad you mentioned your wife's name, because I was going to ask. She supported the minister in his bid for the leadership of the provincial Liberal Party. Did you, as well, support Minister Kennedy?

Mr. O'Brien: I was a delegate. That was my role.

Ms. Horwath: OK.

Mr. O'Brien: I signed up as a delegate.

Ms. Horwath: So then you were part of the leadership campaign that Minister Kennedy was—

Mr. O'Brien: I actually didn't work on the campaign the way I do, say, on my wife Carolyn's campaign. I didn't bang in any—well, there weren't any signs to bang in.

Ms. Horwath: Just to carry around on the convention floor, right?

Mr. O'Brien: But I was there at Maple Leaf Gardens.

Ms. Horwath: So we can assume, then, at least in terms of your support for the candidates, that you were on the same side as your wife in that endeavour.

Would you say Minister Kennedy is a friend of yours? Would you characterize him as a friend?

Mr. O'Brien: That word has a difficult definition, but I would say yes. I hope so.

Ms. Horwath: OK, that's fair.

I want to talk a little bit about, you have an extensive resumé—there's no doubt about it—with lots of experience. But what experience do you have particularly in public broadcasting?

Mr. O'Brien: Every program you make, initially, even before you make it, you are selling to a broadcaster, so you're aware all the time of what's going on and you are trying to fulfill the needs of whatever public broad-

caster—not necessarily public: whatever broadcaster it might be. I worked at the CBC way back in the 1970s as a production manager, an assistant director. Really, as someone who is a freelance producer or a producer in my own company, my relationship with broadcasting is in who I know and what I see and who I sell to and that sort of thing.

Ms. Horwath: Very good. Are you committed to seeing TVO continue as a public broadcaster?

Mr. O'Brien: My personal view is that only a public broadcaster can really deliver the kind of programming it does, and certainly in terms of an educational agenda, I don't see how it would be able to be effective in the private sector. I'm sure that will be discussed, and in the internal assessment perhaps that will be looked at. That's my own view. I haven't really talked to anyone about that.

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Ms. Horwath: As the assessment rolls out, would you, for example, oppose the introduction of advertising into TVO programming?

Mr. O'Brien: TVO of course has sponsors and that sort of thing. I think that's a great way to go. There's quite a considerable revenue stream that TVO brings in. Certainly there are problems that would be attached to public broadcasting. It's an ongoing debate. I know that the CBC and others, particularly the CBC—not knowing now what everyone really feels about this kind of thing, I would have to look at that. I think it's a problem.

Ms. Horwath: That's fair. You may know that last year the Liberal government cut about \$3 million in funding from TVOntario. In considering the challenge of making sure that TVO remains strong and viable, particularly with its new role, as the chair coming in, how do you feel about the withdrawal of \$3 million from the government's commitment to TVO last year? More importantly, how can we expect you to react to similar kinds of announcements, should they come in the future, around funding reductions?

Mr. O'Brien: First, the person who has the biggest problem with that is the CEO, I think. From my point of view, I know what a budget cut does right the way down through an organization. It causes uncertainty and various other problems. I don't like it. At the same time, an organization obviously has to run efficiently and within the budget that is provided.

Ms. Horwath: Can I ask then, within the context of funding difficulties or the constant challenges around funding, would you be active in resisting any attempts by government—this one or one in the future—to move away from a publicly funded model?

Mr. O'Brien: First, TVOntario comes under the purview of the ministry, and I think we are bound to follow the government's strategy and policy. Having said that, I repeat: You want your organization to flourish and to be excellent. You don't want to see budgets cut, but we would take our instructions. That is the way that works, I believe.

Ms. Horwath: As chair of an organization, if the unthinkable happened and there was a suggestion by the

government that there would need to be a sell-off of TVO or any of the parts of TVO, could we as the public of Ontario rely on you to be vocal about that issue? I guess what I'm getting at is, considering your relationship with the minister, and your partner has a relationship with the minister, can we as a public, with you being the chair of this organization, feel comfortable that if there was a threat to TVO as a result of government policy, you have a sense of independence that's strong enough to be able to speak for the organization and for the value of this publicly funded public broadcasting entity, over and above what government might be doing?

Mr. O'Brian: Yes, I would want to defend TVO. I'm passionate about TVOntario and the idea of it being dismantled in any way—I would certainly want to know why and for what reason. I certainly don't expect that and haven't heard anything like that in the air. Have you? I'd like to know.

Ms. Horwath: Stranger things have happened, believe me.

The Acting Chair: The time for questions has expired. I want to thank Mr. O'Brian for attending here this morning.

Ms. Horwath: Thanks, Mr. Tascona. Do I take the Chair back now?

The Acting Chair: Yes.

The Vice-Chair: I appreciate that.

The way the process goes from here is that we have a couple more people to interview. At the end of that process, we'll be moving concurrence on the various appointees. You're welcome to stay during that process. If you have other things to do, the clerk will be notifying you of the results of the committee.

ANDI SHI

Review of intended appointment, selected by third party: Andi Shi, intended appointee as member, Ontario Rental Housing Tribunal.

The Vice-Chair: Our second interview is with Andi Shi, intended appointee as member of the Ontario Rental Housing Tribunal. Mr. Shi, did you want to come forward? You've had a chance to see a bit of the process here. As you are aware, you have an opportunity to say a few words of introduction and make some comments about your interest in this position. As you also may be aware, any comments you do make, in terms of time frame, will be deducted from the government side's questions. Once you've completed your comments, we'll go in rotation and ask you questions, 10 minutes for each caucus. This time around, with your questions, we'll be starting with the official opposition. Welcome. I hope you're comfortable. You're welcome at any time to begin.

Mr. Andi Shi: Madam Chair and members of the committee, thank you for the opportunity to appear before you today to go through this process, which I respect and believe is important for the public, the tribunal and also myself. I assume you all have a copy of

my resumé. What I would like to do with my statement is highlight my many qualifications that would enable me to be an effective member of the tribunal, which are not reflected in my resumé.

To be a good, effective adjudicator, one needs to have a whole set of abilities and skills, of which the most important ones, I believe, are fairness and insight. I care a great deal about social justice and have a strong sense of fairness. In fact, I studied in Canada's only school of human justice.

I'm known for being insightful. I'm a very careful listener, always with an open mind. As a practice, I do not bring any preconceived notion to any conflict situation. I do not judge people or situations simply by their appearance. My experience working in the Regina Police Service has taught me that to every story there are always two sides. My principle is to hear both sides completely before I form any judgment. I have the ability to see both the big picture and the fine details, to cut through the facades, get to the crux of a problem and make a creative and interest-based decision that is fair to both sides.

As you may have noted in my resumé, I've done research in both science and social science fields. I have a master's degree in biochemistry, and I am forever grateful for that part of my training. It has taught me to be very analytical, thorough and rigorous and to never make any statement unless it can be substantiated by verifiable evidence. Those are qualities that would carry me well through the most difficult cases if I'm appointed as a member.

My science training has also taught me how to write clearly and concisely, with only meat—no rhetoric or wishy-washy ambiguity. As a result, I'm now one of the best editorial writers in the Chinese community.

I'm a board member of a number of non-profit organizations. Over the years, I have chaired many meetings and major events. My presiding skills have been well recognized. In fact, just last week I received a comment from a fellow board member on the way I chaired a recent AGM, which read, "Andi is a great chair—experienced, effective and calm." A few weeks ago, I was called "a paragon of organization" by the director of a project I was working on.

I'm sure you appreciate that Ontario's demographics have changed significantly. The tribunal's clientele is changing. I am an immigrant and a person of a visible minority group. I bring the understanding, empathy and a diverse range of skills that few others have, which I believe are valuable assets to the tribunal.

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I have often exceeded expectations. I'm confident that my skill set is adequate for this new challenge and that I can make a positive contribution to the work of the tribunal. I hope you too will find me qualified and give me the opportunity to contribute my abilities, skills and knowledge.

I thank you for the opportunity to speak with you today and look forward to your questions.

The Vice-Chair: Thank you very much for those comments. I'm going to turn the questioning over to Mr. Tascona from the official opposition.

Mr. Tascona: Are you a member of the provincial Liberal Party?

Mr. Shi: Yes.

Mr. Tascona: Who is your MPP?

Mr. Shi: David Zimmer.

Mr. Tascona: Have you been a donor to the provincial Liberal Party?

Mr. Shi: Yes.

Mr. Tascona: Who was the contact person for you to become aware of the position?

Mr. Shi: I don't have a contact person. It all started with the Maytree Foundation. About the beginning of last year I received a call from the Maytree Foundation. I'm a graduate of the Maytree Leaders for Change program. I understand the government was committed to increased diversity on the boards and contacted the Maytree Foundation for recommendations of people in different communities. That's why Maytree called me and recommended me to the government. As a result, I was appointed to the College of Opticians of Ontario.

Mr. Tascona: Did you talk to David Zimmer about this appointment?

Mr. Shi: No.

Mr. Tascona: Have you talked to any member of the government about this appointment since you've been chosen for selection?

Mr. Shi: No.

Mr. Tascona: Are you now or have you ever been a landlord?

Mr. Shi: No.

Mr. Tascona: Are you now or have you ever been a tenant?

Mr. Shi: Yes, I'm a tenant.

Mr. Tascona: You're a tenant now?

Mr. Shi: Yes.

Mr. Tascona: In your resumé, it says that you're the principal of AMA Consulting. What does AMA Consulting do?

Mr. Shi: I do event planning and Canada-China business consulting.

Mr. Tascona: So it's in the promotion business?

Mr. Shi: Not quite promotion; sometimes, yes.

Mr. Tascona: In terms of your education, do you have a legal background?

Mr. Shi: No. I studied human justice in school for some time, and I worked in the police service. During my work on the board of the College of Opticians, I received some training in conducting hearings and I also sat on panels for hearings.

Mr. Tascona: So you have no legal background, but obviously you're educated in the sciences, I see by your degrees.

Mr. Shi: Yes.

Mr. Tascona: I noticed from your resumé that the Ontario Rental Housing Tribunal is the only board you

expressed interest in serving on. What is it about this board that interests you?

Mr. Shi: There are several reasons. I am always interested in matters of the law. I'm interested in legal work, but I don't have a degree in law, so the only thing I can hope for is a quasi-judicial position. I became aware of the vacancy, so I applied. The other thing is that I deal with a lot of Chinese clients, and people have more respect for public service. That makes me want to apply for it. I looked at the vacancies, and this is the one I feel I am most qualified for and the most interested in.

Mr. Tascona: You feel you're qualified to be on the Ontario Rental Housing Tribunal. Can you tell me what your qualifications are?

Mr. Shi: I have a diverse range of experience. I have chaired a lot of board meetings and events. I've been a very effective chair, and I have received training from my other appointments. I have been a panel member for two hearings. I have gone through several levels of screening, and the Maytree Foundation selected me because I am one of the better qualified people among the entire pool of candidates. I went through the screening of the secretariat, and they accepted me—

Mr. Tascona: I hear you there. The fact of the matter is, have you been involved in any proceedings at the Ontario Rental Housing Tribunal?

Mr. Shi: No, but I did go through the interview and the test.

Mr. Tascona: I understand that, but you've never had any exposure to the Ontario Rental Housing Tribunal as a citizen?

Mr. Shi: No.

Mr. Tascona: You have no legal background. You've never been involved in an adjudicative board before, is that correct?

Mr. Shi: Not on an adjudicative board, but at the council of the College of Opticians, my experience sitting on the hearings board was very similar to this tribunal.

Mr. Tascona: In terms of this particular type of tribunal, which is to deal with landlords' and tenants' rights, do you think the government has been even-handed in its treatment of landlords and tenants to date?

Mr. Shi: I understand the mandate of the board is to interpret and apply the law. As to how the law has been enacted and everything else, I think that's the job of the Legislature. It wouldn't be appropriate for me to comment on that.

Mr. Tascona: So you don't have any opinion on how the Rental Housing Tribunal operates and how it has handled its cases.

Mr. Shi: I have some knowledge of how the tribunal works and hope I can have the opportunity to make a contribution to that process, but it wouldn't be appropriate for me to comment on that.

Mr. Tascona: Do you have any familiarity with the landlord and tenant act?

Mr. Shi: Yes, I read through the act, the Interpretation Act and the procedure act.

Mr. Tascona: When did you do that? Did you have any exposure to it prior to deciding you wanted to be on this board?

Mr. Shi: No.

Mr. Tascona: I'm still curious as to why you want to be on this board, why you're so interested in this board, when you've had no experience at all, never appeared before it, have no legal background, have never adjudicated up there. What does this position pay? Do you know?

Mr. Shi: I think \$67,000 or something.

Mr. Tascona: How many hours a week do you anticipate being involved? It says "full-time."

Mr. Shi: Well, as many as I'm required to.

Mr. Tascona: So it's going to be a full-time position; it pays \$67,000 a year. What's the term?

Mr. Shi: I understand it's a three-year time.

Mr. Tascona: In terms of your involvement with the provincial Liberal Party, besides being a member and a donor, do you have any other activity with the provincial Liberal Party?

Mr. Shi: No.

Mr. Tascona: How long have you been involved with the provincial Liberal Party?

Mr. Shi: About a year, I think.

Mr. Tascona: Just one year?

Mr. Shi: Yes.

Mr. Tascona: People often appear before the board without the benefit of legal counsel. What would you do to make sure that these individuals feel comfortable appearing before the tribunal, and how would you ensure that they receive a fair hearing?

Mr. Shi: I hope just my presence, being a visible minority person and the messenger—and the message itself would make a lot of people feel comfortable. I have a good way of making people feel at ease. I'm a very good listener and try to make people relax, and I think I have enough skills to go after the facts and to ask not leading but insightful questions to find out the facts and make a decision on them.

Mr. Tascona: You say you're currently a member of the council of the College of Opticians and you serve on the discipline committee. Have you been involved in any disciplinary hearings?

Mr. Shi: Yes. As I said before, I sit on two disciplinary hearing boards and I help the chair to write the decisions, as secretary.

Mr. Tascona: So you sat as a panel member.

Mr. Shi: Yes.

Mr. Tascona: As a member of the public.

Mr. Shi: No. The panel members are selected from the council. We form a panel, we hear the case and we make a decision.

Mr. Tascona: How many people sit on the panel?

Mr. Shi: Usually three or four.

Mr. Tascona: Is there a main person there in terms of the chairperson?

Mr. Shi: There is usually a chair. I haven't been the chair, but I was the key person to help the chair write the decisions.

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Mr. Tascona: So you've never been the chair and adjudicated on that panel. You sat on two cases.

Is there anything else you'd like to offer to the committee by way of why you're so interested in this position?

Mr. Shi: I think I said it before. I'm interested in quasi-judicial work and in public service. It doesn't actually pay as much as I would make in the private sector, but I'm interested for the reasons I stated. I wrote the exam and had an extensive interview by the chair and the two vice-chairs, who I consider to be the experts on the tribunal. The exam consists of five scenarios. I was able to apply the law and my common sense and skills to write a decision which the board accepted. I think that by coming this far to appear here, my ability to adjudicate has been proven.

Mr. Tascona: OK. So apart from just recently having an interest in the Ontario Rental Housing Tribunal, you never had a prior burning interest to get involved in social issues with respect to landlords and tenants?

Mr. Shi: Not a burning issue, but I was the former executive director of the Chinese Professionals Association, and we received 200 phone calls every day for all kinds of questions, and some of them were about rental housing. So I've done the research and referred people to the tribunal. As a practice, we now have this referral service, and all the staff knows about it. Every time somebody calls, we refer them to the tribunal.

Mr. Tascona: Tenants or landlords?

Mr. Shi: Mostly tenants.

The Vice-Chair: Mr. Tascona, your time is completed. Thank you very much for those questions. Now I'm going to ask you again to take over the chair, if you don't mind.

The Acting Chair: OK, Ms. Horwath. Are you ready to question the witness?

Ms. Horwath: Thanks very much. Can I ask you, Mr. Shi: Mr. Tascona asked a question about when it was that you applied for this position. You said it was about a year ago when you put your name forward?

Mr. Shi: No. Last year I was approached for the other appointment to the Council of the College of Opticians. I applied early this year for this position.

Ms. Horwath: You were approached by the Council of the College of Opticians. By whom?

Mr. Shi: The Maytree Foundation.

Ms. Horwath: By the foundation you were talking about, which was looking for leadership potential within—

Mr. Shi: A candidate, yes.

Ms. Horwath: I just wanted to clarify that because I thought I heard you say it was about a year ago that you decided to apply for this, and it seemed to me that you had also said it was about a year ago that you started to be involved in the Liberal Party. I thought that was a bit of a coincidence and I needed to probe a little bit.

Just again on your involvement with the Liberal Party, have you acted as a volunteer, canvasser or someone who

goes out and tries to get more memberships for the Liberal Party in any way?

Mr. Shi: I think I did once during the last campaign for David Zimmer. I live in his riding, and somebody asked me to help them.

Ms. Horwath: So you helped out with that campaign?

Mr. Shi: For one day, I think.

Ms. Horwath: That's fine.

I wanted to ask a little bit more about your understanding of the housing issues that face people in Ontario. You're currently a tenant. Have you ever been a landlord?

Mr. Shi: No.

Ms. Horwath: OK. Could you list for me what you think the main issues are for tenants in Ontario right now? What are the main concerns that tenants would have in the province of Ontario?

Mr. Shi: The problem today is probably no different than ever. I guess the price is the major problem. There have been increases in the last few years. Nobody wants to spend more money on their rent.

Ms. Horwath: So affordability?

Mr. Shi: Yes, I guess so.

Ms. Horwath: Rents going up and that kind of thing?

Mr. Shi: Yes.

Ms. Horwath: Anything else that you think would be an issue that tenants face generally?

Mr. Shi: I can't think of any other major issue.

Ms. Horwath: OK. What about landlords? What do you think would be major issues that would be of concern to landlords in the province of Ontario?

Mr. Shi: I have seen tenants who don't pay rent and that type of thing.

Ms. Horwath: I'm sorry?

Mr. Shi: The thing I have seen that bothers me is people who are not good tenants. They do things not considered civil and respectful to their neighbours, that type of thing.

Ms. Horwath: So problem tenants?

Mr. Shi: Yes.

Ms. Horwath: All right. Is there anything else that you think is a concern facing landlords?

Mr. Shi: Not at this moment.

Ms. Horwath: Considering the appointment that you're seeking, can you then enlighten me as to what your opinion is as to whether the current Tenant Protection Act appropriately balances the interests of landlords and tenants in Ontario?

Mr. Shi: As I said earlier, I understand the mandate of the tribunal is to interpret the law and apply it. The role of improving the legislation lies with the Legislature and MPPs, so it wouldn't be appropriate for me to comment on that.

Ms. Horwath: So you have no opinion or you don't feel that it's appropriate to share your opinion?

Mr. Shi: I don't think it's appropriate to share it.

Ms. Horwath: That's part of why we have these hearings, to get an understanding of the perspective of the various people who are interested in serving the public.

Can I ask you what your experience was with the rent control system previously and whether you think that the current vacancy decontrol system is effective?

Mr. Shi: I haven't done any research on it. I really don't have any formal opinion.

Ms. Horwath: Do you know what vacancy decontrol is?

Mr. Shi: Yes.

Ms. Horwath: Can you explain to me what vacancy decontrol is?

Mr. Shi: When you move out and somebody moves in, the landlord can charge whatever amount he wants.

Ms. Horwath: You did say that from your perspective, one of the main issues facing tenants is the cost or the affordability of their housing. Do you think vacancy decontrol has had any impact on that?

Mr. Shi: Again, I don't feel comfortable commenting on that, as a person intended for the tribunal.

Ms. Horwath: Have you ever heard of a concept called "costs no longer borne"?

Mr. Shi: No.

Ms. Horwath: You're not aware of what that issue is. OK. I'm wondering—and I suspect what your answer might be—from a tenant's perspective, if there would be any advice that you would be interested in giving—not in your role. Let's say you're not here; you're just a tenant. Would there be any advice you would have for the government in terms of amendments to the Tenant Protection Act?

You may be aware that when the government was running for election, during the campaign they made some significant promises around overhauling the Tenant Protection Act and said they would do that within the first year of their mandate. Of course, we're now into the third year of their mandate and we haven't seen any amendments yet to the Tenant Protection Act. When I talk to my Liberal colleagues who sit near me in the Legislature, they tell me that it's too complicated, that things are changing all the time and they really haven't decided what they're going to do. I suspect that they're hearing different opinions from various tenants and landlords on the issues. So as a tenant, is there any advice that you would be able to give the government—not in your capacity as a member of the tribunal, but just as a tenant—on how the Tenant Protection Act can be changed?

Mr. Shi: I'm trained in the science field. I don't want to make any statement unless I thoroughly study the subject. I think if I do get appointed and you ask me that question in two or three years, I will have a very informed opinion on that. At this point, I really don't have a good answer for that.

Ms. Horwath: OK, and that's fair. Just following up, you figure it'll take probably about two or three years of being engrossed in this full-time position before you really have a good handle on all the issues and are able then to perhaps give advice, or at least have an understanding where you would feel more comfortable giving advice.

Mr. Shi: It wouldn't take that long for me to have a good understanding of the issues; it's just that to comment on a policy issue—I think that is a very important matter, and I don't want to say anything unless I understand it very thoroughly.

Ms. Horwath: You're aware of the act, you're a tenant so you have experienced that reality, but at this point, you don't feel that you have a good understanding of all of the details and issues that are going to be facing you as a member of this tribunal.

Mr. Shi: There are all kinds of issues facing the tribunal. I haven't been an adjudicator, and I don't have a grasp of all the issues.

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The Acting Chair: The time has expired for questions. Thank you, Ms. Horwath. It's now the government's turn.

Mr. Parsons: No questions, thank you.

The Acting Chair: Ms. Horwath, you're back in the chair.

The Vice-Chair: Thank you, Mr. Shi. You can take a seat now, if you like. You're welcome to stay for the remainder of the morning. At the end of the process here—we have, I think, one more person to interview, or two more—we will be making the decisions on the appointments. You're welcome to stay, or, if you decide to leave, the clerk can notify you of the decision of the committee. Thank you for attending.

PATRICIA VANDERDONK

Review of intended appointment, selected by official opposition party: Patricia Vanderdonk, intended appointee as member, Bradford West Gwillimbury/Innisfil Police Services Board.

The Vice-Chair: Now we have our third interview, with Patricia Vanderdonk, intended appointee as a member of the Bradford West Gwillimbury/Innisfil Police Services Board.

Welcome, Patricia. You've probably had a chance to observe how things go in this committee. You have an opportunity to make a few introductory comments and a statement about your interest in this position with the police services board. After that, there will be questions from the members of the different parties on a rotational basis, and of course any time that you take in your introductory remarks will be deducted from the government side. I believe we start with the third party this time around. So welcome, and go ahead.

Ms. Patricia Vanderdonk: I'd like to thank you for the opportunity to address your committee today concerning my potential appointment to the Bradford West Gwillimbury/Innisfil Police Services Board. I am honoured to be considered for this appointment and wanted to take a few moments to reiterate a few of the details contained in my resumé.

I have worked in the area of law for almost 20 years, and for the past 11 years I have worked for a law firm here in Toronto, known as Davies Ward Phillips &

Vineberg, first as a legal assistant to one of the senior partners and for the last two years as a corporate law clerk. I have been a member of the Institute of Law Clerks of Ontario for the past two years. My family and I have lived in Innisfil for the last 16 years, and over this period I have become active in various community-based organizations. Specifically, I have been a leader with Scouts Canada for the past four years, a member of the executive of the Innisfil Minor Softball League for the last two years and a member of the executive of the Gilford Mixed Three Pitch League for the last 10 years.

All that having been said, perhaps the best experience I have to offer to the position as provincial appointee to the Bradford West Gwillimbury/Innisfil Police Services Board is my term as the municipal appointee to that board in 1999-2000. During my one-year term, I assisted in the preparation and successful presentation of the annual budget to the town councils representing the two municipalities served by the police force. At the conclusion of my term on the board, I remained actively involved in various ways, and most recently was asked by Chief Bruce Davis to co-chair the chiefs' advisory committee, along with Mr. David Pratt, a past provincial appointee to the board. The committee was asked to determine the priorities in policing in our area. It is through this committee that I have remained current on the issues facing our towns with respect to policing.

There is no doubt that there are a number of interesting challenges ahead for that board. The force itself serves two municipalities, encompassing a rather large area. Both towns are quite unique in their composition and needs. Our force is required to police both land and water, as well as highways and rural streets. Maintaining a municipal police force capable of meeting these needs is demanding. I have been in attendance at council meetings in both Bradford West Gwillimbury and Innisfil. Both town councils have asked the board to review the police budget to try to find potential cost savings, and have asked for better fiscal management by the board on a going-forward basis. In fact, most recently the town of Innisfil considered entering into a costing process. I think this emphasizes the need for the board to consider where cost savings can be found. The councils have also asked for better communication between the board and themselves. The current chair of the board, Mr. Marty Toombs, is a former Bradford town councillor and has gone on record to say that he has made it his priority to open the lines of communication between both councils and the board.

I believe my business background as well as my community service and prior experience on this board will allow me to make a positive contribution to the Bradford West Gwillimbury/Innisfil Police Services Board.

The Vice-Chair: Thank you very much, Patricia. I'll turn the chair over to Mr. Tascona.

The Acting Chair: We'll start questions with the third party.

Ms. Horwath: I only have a couple of questions for you, and I wanted to start them out by asking some of the

routine ones around your affiliations. So are you a member of any political party?

Ms. Vanderdonk: I am. I'm a member of the PC Party.

Ms. Horwath: Do you contribute financially to the Conservative Party?

Ms. Vanderdonk: No.

Ms. Horwath: How did you hear about this position being available?

Ms. Vanderdonk: As I said, I originally was on the board as a municipal appointee. After my term was up, I inquired then about a provincial appointment because I knew the term was up for at least one of the appointees at that time and they were not seeking reappointment to the board. I applied at that time and was not selected, and mentally diarized the term and reapplied when it became available again.

Ms. Horwath: Did you consult with anybody in the process of reapplying?

Ms. Vanderdonk: This time around? No. I have had an interest, have tried to keep up on the issues and have always wanted to do another term after my municipal appointment.

Ms. Horwath: This isn't an issue specific to you, but last year we had chiefs of police around talking to the different caucuses about a number of different policing issues. One of the issues that came up in my discussions, because I'm from the municipal sector initially as well—I was a councillor in the city I come from for some time. One of the things that was identified by some of the chiefs was a concern that members who had initially been appointed as municipal representatives, and had finished their terms and then became provincial appointees—there were maybe some concerns around the extent to which a provincial perspective could be brought, and that if all the voices around the table were really de facto municipal ones and had a municipal perspective, was that an effective way of having a police services board that could conceive and deal with all the issues from both the municipal and the provincial perspectives? Could you comment on that concern?

Ms. Vanderdonk: I think with specific reference to the Bradford West Gwillimbury and Innisfil board—it's a very small board—they're two very small towns, I hesitate to say. They are serviced well by the board they have, and initially, when I was the municipal appointee to the board, the term was for one year. I know that from my own perspective I found the one year barely got me rolling in trying to make a difference or in trying to help them make a difference. You're just barely getting into the meat and potatoes and you're off the board again. I think becoming a provincial appointee after having been a municipal appointee may be a better opportunity for someone to hit the ground running.

Ms. Horwath: Thank you. You've been very involved, and you talked about your appointment to the committee that was set out by the chief to review services. Are you satisfied with the level of policing in your community?

Ms. Vanderdonk: Absolutely. They do a wonderful job. They've certainly got constraints on their numbers that may need to be looked at, but that's for the board as a whole to look at overall.

Ms. Horwath: Numbers in terms of staffing?

Ms. Vanderdonk: In terms of staffing.

Ms. Horwath: So if you were to say that there's something that needs to be changed, it's around budgeting—I heard you talk about budgeting; that's why I'm asking you that—and the ability to hire enough police to do the job that's required?

Ms. Vanderdonk: I think it needs to be looked at on an ongoing basis because of the growth within the town itself. The two municipalities served by the force are growing in huge numbers. They also have the problem where summertime hits and they have a lot more people in the town; there are a lot of people who cottage in our area. The policing level, albeit well enough to serve the communities that are regularly there, also then has to account for the added population that joins in. I think it's always easy to say, "We need more officers," but I think it's better to say that as a board, you could look at that and determine whether maybe there's a shift in the service that can happen to better allocate the resources, or perhaps it is just a case of hiring more people.

Ms. Horwath: You may be aware of some of the issues that are ongoing, particularly in this part of the province around gun crimes, and unfortunately, that's something that's bleeding into the community I represent, as well. What do you think the government should be doing about the gun crime problem?

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Ms. Vanderdonk: I think it's not specific to one area; that's for sure. I know in our community we aren't affected as much as some others. That being said, everything does make its way to the outlying areas. I'm not sure I have an opinion on what should be done, because it doesn't directly affect my area as much as some of the others. I'm not sure I have an opinion.

Ms. Horwath: I just have one other area that I wanted to explore with you. Did your force take advantage of the offer of new police officers? The government made this announcement that they were going to put 1,000 new police officers on the street. Have you seen any of those new officers in your community?

Ms. Vanderdonk: No, I have not. I'm not aware of any.

Ms. Horwath: Are you aware that although the new police officers were purported to be something that the province was going to take responsibility for financially, in fact three quarters of the cost of these would be borne by municipalities? Can you tell me whether or not your municipality or your police services board is in a position to be able to take advantage of this offer?

Ms. Vanderdonk: I'm certainly not in a position to speak on behalf of the board, but I have read in the local newspapers that they just cannot fiscally bear that. There was an article in the newspaper last week saying that despite the fact that it was in the budget to have two more officers, they could not afford to do that.

Ms. Horwath: Those all are my questions, Mr. Tascona. Thank you very much.

The Acting Chair: Thanks very much. You're back in the chair.

The Vice-Chair: Any questions from the government side?

Mr. Parsons: You're clearly bringing a passion to this role that certainly jumps out at us, and that involves, of course, getting the appointment to the board. Did you, anywhere through the process, talk to an MPP?

Ms. Vanderdonk: Initially when I was the municipal appointee, after the municipal appointment, I did speak with Mr. Tascona about provincial appointments and this board. Subsequent to that, I don't recall having any discussions with anyone.

Ms. Monique M. Smith (Nipissing): May I ask, what kind of law do you work in at Davies?

Ms. Vanderdonk: I work in corporate law.

Ms. Smith: I just wondered about your interest in the police services board. I know you developed an interest, having been there for a year. But originally, as a municipal appointee, what sparked an interest in becoming a municipal employee? What led to that appointment?

Ms. Vanderdonk: I'm not sure—it's so long ago now—exactly what the thrust of my interest was at the time. I believe it was that I love law and I like to be involved in the community. I was reading the newspaper one day and suddenly the two interests collided in an advertisement for the municipal position. I thought it was an opportunity to be proactive in my community in a way that would take me outside a comfort zone in the sports involvement that I've had. I applied and was successful.

Ms. Smith: In what year were you the municipal appointee?

Ms. Vanderdonk: In 1999-2000.

The Vice-Chair: Any further questions from the government side? Mr. Tascona.

Mr. Tascona: It's good to see you, Patricia. You're certainly qualified for this position, but I want to ask you a few questions in terms of some policing issues that are facing the boards and which you're going to have get involved in. Do you believe the police association should have any restrictions on it in terms of political activities?

Ms. Vanderdonk: It's difficult for a police association to come out in favour of one party or another, given that their members are all individuals and would not be able to come together as a voice, I don't think, for one of the parties specifically. I don't think it's effective to govern a great number of people within your force based on political affiliation. I don't think it has a connection.

Mr. Tascona: Are you familiar with the red light camera issue?

Ms. Vanderdonk: Yes.

Mr. Tascona: Do you have an opinion on that?

Ms. Vanderdonk: As it specifically relates to our communities, I'm not sure how effective it could be in some areas. I can see where it would be a good thing to have in the more urban areas. As you know, our area is

made up of a very huge rural-agricultural component. There are main centres. I think the community safety zones have effectively cut down some of the incidents, but maybe red light cameras could help in that aspect.

Mr. Tascona: Like the Alcona Beach area?

Ms. Vanderdonk: Like in Alcona Beach and in some of the more heavily used intersections; on Gilford Road, for example, where the racetrack is, and perhaps down the first line at the 20th Side Road where people tend to pick up speed and carry on through.

Mr. Tascona: With respect to the public complaints process, which is the oversight of police officers, are you familiar with that issue?

Ms. Vanderdonk: Minimally, yes.

Mr. Tascona: The current process is that if an individual has a problem with policing, they would go to the police chief, and after that it would go to the provincial commission, OCCPS, for an appeal. The Attorney General has indicated that that is going to change. He commissioned a report from Justice LeSage. He hasn't acted on it at this point, but it's going to be a different process. It will probably be the process that was in effect when you initially served as a municipal representative. Do you have any thoughts on whether that's the right direction to go?

Ms. Vanderdonk: I'm not sure I have an opinion one way or the other. I think they're both effective ways of dealing with the complaint process. I think, specifically with bringing a complaint to Chief Davis, he's a very effective chief, he's a very fair chief and he seems to be able to resolve matters to the satisfaction of everyone he's had to deal with. I have to defer to: If it isn't broke, don't fix it.

Mr. Tascona: On the cost of policing, we've got some information that was provided to us by research. I'll just read it to you, if you want to comment on it. It states:

"As in many Ontario communities, the cost of policing in Bradford West Gwillimbury and Innisfil has been rising steadily. Budget increases over the last five years have totalled over 77%, with significant cost overruns in each year. The budget tabled in January 2005 proposed a 14.7% increase over the previous year.

"The police services board blames the rising costs on wage and benefit increases that are beyond its control. Other municipal officials, however, have called for a re-examination of the way police services are provided in the region. In the summer of 2004, the Innisfil council asked the South Simcoe Police Service to conduct a comprehensive audit and to consider the possibility of returning to a single police service or contracting out. Regarding this last option, it was suggested that the service obtain quotes from neighbouring police services, such as York region. The chair of the police services board, Marty Toombs, a former member of the Bradford West Gwillimbury council, is opposed to such a review. He says a full audit of police services would be costly, and points out that previous reviews concluded that the area is receiving good police services.

"In January 2005, after the board rejected a request to hire two additional police officers, the South Simcoe Police Association called for a provincial audit of the force. According to the association's president, Brian Miller, the board should be taking into account the fact that the region is growing and becoming more urbanized."

Do you have any comments on the cost of policing, which you're going to face head on with respect to Innisfil and Bradford West Gwillimbury, which are slated for growth at some time?

Ms. Vanderdonk: As co-chair of the chief's advisory committee, I was involved somewhat with the costing process requested by Innisfil council. The councillor who put forth the motion for the costing is the councillor for my riding, and she and I talked at length about it.

I made a presentation, along with my co-chair, to both councils, at which time we basically presented them with a petition of names of people supporting the existing force and not wanting to go forth with a costing process.

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When we made our presentation to the councils, we were told that the council in Bradford West Gwillimbury didn't support the same motion and were quite adamant about the fact that it would be too disruptive to the town, to the police force, to the community itself. When those comments were relayed in Innisfil, the resolution or the motion was changed to seek a costing based on a level of service equal to or greater than that already existing in the current force. That, to me, indicated that council, albeit unhappy with the cost of the policing, was happy with the level of service they were getting, and a number of the councillors came out on record to say that.

Can there be savings? Absolutely; I'm sure there can be. But that's a board decision and will have to be taken up as a collective unit. There is no way to anticipate how far the growth will go and how quickly. It seems like there are new subdivisions popping up every day.

Mr. Tascona: Yes, I want to ask you that question. The growth, the Big Bay Point development project, the projects over by Georgian racetrack and the general growth with respect to residential: Do you believe the police services boards are being adequately consulted, if at all, with respect to the costs of policing to deal with—Innisfil is a large area. It's made up of nine separate communities, and now we're talking about some fairly significant nodes of growth, in the thousands, that would probably double the population of Innisfil. It seems like that discussion is in a vacuum, that they're not considering the services necessary to service the population. Any thoughts on that?

Ms. Vanderdonk: I'm not sure of your question, I'm sorry.

Mr. Tascona: The question is, should the police services board be consulted with respect to this growth?

Ms. Vanderdonk: To this growth? Absolutely. If they—

Mr. Tascona: Whether you can even function and handle it?

Ms. Vanderdonk: I think they should be. My personal opinion is that they should be. I think it's a proactive way of dealing with growing the force to meet the needs of the community. Is it happening? I'm not sure.

Mr. Tascona: Is that something you think you should have a role in and would pursue?

Ms. Vanderdonk: If not me, somebody from the board, or at least somebody, should be making a presentation to the board to make sure that all the needs are being met and are coming up to speed at the same time as the community is. It's very difficult. It's very easy to sit down and say that you're getting all these new communities and the population is going to double and there are thousands of houses going in. But unless you know what the time frame is and unless you can proactively see these things through budget-wise and just physically with more officers, I'm not sure how you could maintain the same level of service they enjoy.

Mr. Tascona: Innisfil has grown and so has Bradford West Gwillimbury, but there are no new police officers out on the force. Yet there doesn't seem to be a model in terms of getting away from the fractious discussions that you have at budget time with respect to police costs. No one is looking at it and saying, "OK, here's where we're going and here's how we'll handle the growth," and the police are not attacked at each budget process.

Ms. Vanderdonk: Absolutely, I agree. It's very difficult for the board to make the budgetary presentations because, as you say, it is an attack because of the lack of communication. But I think the tone of the board has changed since the introduction of Mr. Toombs to the chair of the board. I think both councils have recognized that communication needs to be a two-way street, and maybe that's where they're going.

The Vice-Chair: Thank you, Ms. Vanderdonk. The time for questioning has elapsed. As you may have heard, we'll be reviewing the appointments at the end of the process. We have one more person to interview. You're welcome to stay, or you can go about your day and the clerk will let you know the results of the committee's decision. Thank you very much for coming today.

ROY FILION

Review of intended appointment, selected by official opposition party: Roy C. Filion, intended appointee as member, Provincial Judges Remuneration Commission/Justices of the Peace Remuneration Commission.

The Vice-Chair: Our fourth interview is with Roy C. Filion, intended appointee as member of the Provincial Judges Remuneration Commission/Justices of the Peace Remuneration Commission.

Mr. Filion, welcome. You now have an opportunity, as you have seen, to make a few comments, make a statement, tell us why it is that you are interested in this position. Then we'll go through the process that you've probably observed, which is that each of the caucuses will have an opportunity to ask you a few questions. Any

time that you take in your initial statement will come from the government's allotted 10 minutes. The floor is yours.

Mr. Roy Filion: Thank you, Madam Chair and members of the committee. Thanks for the opportunity to appear before you today.

Just by way of background, I think you have a copy of my professional resumé—I've been practising law for 35 years, and for the most part, certainly for the last 30 years or more, I've been practising exclusively in the area of labour and employment law on the management side. I say that with the caveat that those of us who practise on the management side or on the union side or employee side don't do so necessarily because of any philosophical reason; it's simply because unions don't retain lawyers who practise on the management side, and companies and employers don't hire lawyers who practise on the union side. So the labour bar tends to be divided between those who practise on one side or the other.

I've done a lot of work for the Ontario government over the last 25 or 30 years from a representational point of view, including having represented the Ontario government as counsel in both the third and fourth provincial judges' triennial commissions with respect to their remuneration. At the moment I'm the managing partner of a boutique firm called Filion Wakely Thorup Angeletti that has offices in Toronto and in London, Ontario. The firm's practice is consistent with my own.

I was called a few months ago by somebody on behalf of Management Board Secretariat, asking me if I would be interested in being appointed as the government's appointee to the Provincial Judges Remuneration Commission and the Justices of the Peace Remuneration Commission. I was later asked to fill out an application, which I was quite happy to do. I'm assuming that I was asked by MBS to apply because they were aware of my experience, particularly having served as counsel to the government in the third and fourth triennial commissions, and also probably because I think it would be fair to say it's a quasi-judicial-type appointment. It's not the same as, but similar to, being a member of an interest-arbitration board. For instance, when police officers or firefighters or hospital workers can't resolve their collective agreements, they go to interest arbitration: The employer appoints a nominee, the union appoints a nominee and the parties select a chair for the tribunal. From my experience, the commission is not an interest-arbitration board, but it operates very much in the same manner as an interest-arbitration board does.

I've had a lot of experience sitting as a management nominee on interest-arbitration boards. Most recently, in 2005, I sat on two interest-arbitration boards for the Ontario Hospital Association involving the collective agreements for the nurses in the province of Ontario, and another one on behalf of the OHA for the OPSEU employees who work in hospitals as registered technologists and paramedical employees, and that sort of thing. I'm assuming that was another reason why I was asked to apply, because that experience lends itself to the kind of appointment that's anticipated here, I believe.

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The Vice-Chair: Thank you very much. There's about five minutes for the government side to ask any questions, if they have any of Mr. Filion.

Mr. Parsons: Again, we are very satisfied with the presenter's qualifications. We have no questions.

The Vice-Chair: Thank you, Mr. Parsons. Mr. Tascona.

Mr. Tascona: Thank you, Mr. Filion, for appearing here today. I have a few questions to ask you. Just to confirm, you're a senior partner in Filion Wakely Thorup Angeletti, and your resumé indicates that your firm appears regularly before courts and federal and provincial labour relations boards, etc. As you're aware, the appointment that you're being reviewed for has to do with provincial judges' remuneration and justices of the peace remuneration, which of course your firm would appear in front of, as it probably does occupational health and safety work and other matters.

I don't take issue with respect to your qualifications; you're a fairly esteemed member of the labour bar. I have to take question with respect to the government's judgment in terms of whether they are going to put you at a level of comfort with respect to your own professional practice, because you still practise. Your firm appears in front of judges and justices of the peace when in fact one of their members is deciding or making recommendations on their compensation. Have you discussed that potential issue at all?

Mr. Filion: No, I haven't discussed it.

Mr. Tascona: Do you have any comments to make on that?

Mr. Filion: I don't think it creates any kind of difficulty. Most of our appearances are before administrative tribunals like labour relations tribunals and arbitration boards. I just finished a trial yesterday in front of the Ontario Superior Court. Most of our court appearances are before the Ontario Superior Court. The Provincial Court judges and justices of the peace deal primarily with criminal law matters, and we don't do criminal law.

As you pointed out, provincial judges and justices of the peace here preside over trials relating to charges under the Occupational Health and Safety Act. From time to time, members of our firm, and I personally, appear before provincial judges and occasionally before justices of the peace. The major trials are usually handled by provincial judges. Other members of our firm, from time to time, appear before justices of the peace, and I have as well. I don't really see how that presents any kind of a problem.

Just looking back over the composition of these commissions over the last few years—as I indicated, I was counsel to the government on the third and fourth triennial commissions. I'm aware of the composition of the commission the last time around, the fifth triennial commission. I think that individuals who have been appointed to sit on the commission have been in the same position as I am, in the sense of their backgrounds. Nobody has ever raised an issue about potential discom-

fort or suggested any reason why a person in a similarly situated position should not be on the commission. If the counsel for the judges, or the judges themselves, felt there was anything inappropriate about a person with my background and my practice being appointed to the commission, they would of course say so.

Mr. Tascona: That's a fair comment, but I think the issue has to do with the role that you would play in the compensation of the people that you're in fact hearing in front of. That's the point I'm making. I think you've responded in a fair way. It's obviously for the people who are going to be hearing this to conduct themselves in a manner that they won't be influenced by that, in terms of how they conduct themselves in any proceeding.

In that regard, there are just a couple of issues with respect to the judges—we've looked at this in our research—if you want to offer an opinion on this. Ontario and Nova Scotia are the only provinces that are bound by the salary recommendations of judicial compensation commissions. How would the witness respond to those who say that the government has surrendered its responsibility to oversee the expenditure of public funds?

Mr. Filion: It's difficult to answer that question. I know it's controversial. It's been a while since I've read some of the judicial decisions concerning the manner in which the government should respond to recommendations of remuneration commissions. But the general rule, I believe, is that the government has to give careful consideration to the recommendations of these commissions. Ontario and Nova Scotia, for reasons known only to the legislators of the day, decided to make portions of the commission's recommendations binding. It certainly removes any suggestion that the commission isn't totally independent, and it lends itself to the notion of the independence of the judiciary. That's my understanding of the rationale for it.

As an applicant for appointment to these commissions, I don't think it really would be appropriate for me to give my opinion on whether it was wise for the government to make the salary recommendations of the commission binding or otherwise. That's a matter for the courts.

Mr. Tascona: Let's go to the opposite end of the spectrum with respect to JPs, justices of the peace. Do you believe that the independence of Ontario JPs is threatened because the recommendations of the Justices of the Peace Remuneration Commission are not binding on the government?

Mr. Filion: I haven't thought about that very much, and I have not had previous experience with the JPs' remuneration commission, either as counsel or as a member of the commission. I must say that at this point I don't have very much information about the duties and responsibilities of JPs. In our practice, the only time we ever come across JPs is in occupational health and safety trials. Generally speaking, the lesser offences tend to be heard by JPs and the more significant offences tend to be heard by provincial judges.

I'm afraid I can't really offer an opinion at this point on whether or not the non-binding nature of the recom-

mendations has any impact on the independence of the justices of the peace. That's a matter for the legislators to decide, based on submissions presumably made on behalf of the justices of the peace by their advocates and the government.

Mr. Tascona: Right now there are presiding and non-presiding JPs and they receive different remuneration. If the government does introduce a new class of JPs, and the Attorney General has expressed some interest in this issue but hasn't acted on it, do you believe that they should receive the same remuneration as either of the existing groups, or should there be a third level? He's looking at a process which will be similar to the judges' appointment process in terms of independence but also minimum levels of qualifications, as opposed to the process right now.

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Mr. Filion: I'm afraid I can't comment on that either, firstly because I'm receiving information that I didn't have before about the third level of JPs. That may be something which the commission will be called upon to determine and make a recommendation on. So before being able to form an opinion on that subject, presumably, if appointed, as a member of the commission I would have to listen to the evidence and the submissions and collaborate with the other members of the commission in arriving at a decision, if it's going to affect the remuneration of yet a third class of JPs.

The Vice-Chair: Thank you. That's actually the conclusion of your time, Mr. Tascona. If I can ask you to take the chair, I have a few questions myself.

The Acting Chair: Ms. Horwath, do you have any questions of Mr. Filion?

Ms. Horwath: I do. Thank you very much. I think Mr. Tascona did a really thorough job of laying out some of the issues that might be facing you with this appointment. Since we have someone of your experience before us, I wanted to actually take some time to ask some broader, systemic questions about our system. Do you feel that currently the courts are working well in Ontario?

Mr. Filion: Reasonably well.

Ms. Horwath: Do you feel there's anything that can be done to clear up any backlogs that are occurring, while at the same time ensuring that due process is followed?

Mr. Filion: I can't really speak for the provincial court, or what's known as the Ontario Court now, because we don't appear regularly before that court, and only on OHSA cases. Our experience there is that there's no problem in getting hearings relatively quickly, the same with our experience with the Superior Court. A few years ago there was a serious backlog problem. In the Court of Appeal there was a serious backlog problem. In Toronto, at least, where most of our trials are conducted, there was a serious problem as well. I think the Court of Appeal has resolved the backlog problems completely. The Superior Court has, to a large extent, as well. It still takes a long time to get a long trial on. I think a long trial is a trial which is expected to last three weeks or longer, or perhaps longer than two weeks. I'm told there's a

serious backlog on the long trial list in Toronto right now.

The backlog problems have been alleviated to some extent by the popularity of ADR, or private arbitration. It's not unusual for the parties to complicated, complex and lengthy commercial proceedings to opt to leave the court system and go into a private arbitration system. There are lots of retired judges and others who spend all or most of their professional time now presiding over arbitrations and other types of ADR proceedings, which has removed a large number of complicated cases from the court process.

Ms. Horwath: You might be interested to know that in Hamilton we're quite backlogged with provincial offences courts. We only operate there one day a month. We have a serious backlog. We're very short of justices of the peace. I raised this question, actually, in the Legislature just yesterday. In fact, it's up to two years' waiting time to get a landlord/tenant or a Tenant Protection Act offence of a landlord heard in front of a justice of the peace. It's a very frustrating situation. Do you have any ideas or suggestions that might help the government figure out how to clear up some of these problems?

Mr. Filion: I'm afraid I don't. If appointed, I'll learn a lot more about the work done by justices of the peace than I know right now. That's one area of my professional background that I really haven't touched on at all.

Ms. Horwath: That's fair. Can I ask your overall opinion of the level of remuneration that exists right now for justices of the peace and for judges?

Mr. Filion: I'm reluctant to answer that question simply because, if appointed, I will be sitting in a quasi-judicial capacity relating to the salaries and other remuneration of justices and justices of the peace. With all due respect, it would be quite inappropriate of me to be rendering an opinion which would create the incorrect impression that there was some kind of pre-judging of the matter on my part.

Ms. Horwath: That's fair and I respect that. Maybe you could then help me with what kind of benchmarks you would use in making your decisions and your recommendations. What kinds of things would you look to to inform your decisions around your recommendations?

Mr. Filion: In interest arbitrations—the commission isn't an interest arbitration, but commissions are similar—generally, the arbitration boards look at comparators. It's very difficult to find comparators for judges. Judges in different courts compare themselves with each other. Judges in Ontario compare themselves with judges in other provinces. They also compare themselves with federally appointed judges. The JPs—I don't know; I haven't been involved in JP remuneration cases. I expect they compare themselves to some extent with members of the judiciary. It's really up to the members of the commission to determine to what extent, if any, those comparators should play a role in their deliberation and in their recommendations. Again, my views on those questions would have to be made in the context of the decision-making process of the commission. I would

have an obligation to embark on the appointment without any bias.

Ms. Horwath: Can I ask—and I understand the comparators issue—are there any other factors that you think are significant; for example, trends in per capita income in the province or those kinds of things?

Mr. Filion: The factors that the commission has to take into account are set out in the legislation. There are six or seven factors which the commission is required to consider in its deliberation. I can't recall all of them at the moment, but the state of the economy is one of them. There are legislative criteria which the commission has to take into account.

Ms. Horwath: It's a matter of weighing those criteria to come to a final decision, I would imagine.

Mr. Filion: That's correct.

Ms. Horwath: I wanted to ask a question around the extent to which—and this is really not specific around your role on the commission; it's more getting back to the issue of a concern over backlogs, particularly at provincial offences court. I'm just curious about whether you are aware of the Askov decision and whether you think that has any implications or if that has had any cause and effect on what we're seeing in the backlog?

Mr. Filion: Well, the Askov decision—and I don't practise criminal law, but it sometimes comes up in the OHSA cases that we have, especially if there's an individual accused as opposed to a corporate accused. Sometimes the corporation as well as an individual or individuals will be charged, and the crown attorneys tend to be much more concerned about Askov with respect to the individuals than about corporations. Not having practised criminal law, we don't have much experience with having cases dismissed because they've taken too long to get to court. Askov, I understand, was a decision of the courts that determined that it was a denial of justice for a trial to take too long to commence. There was a flurry of cases at the time, and from time to time there have been other cases since then where charges have been dismissed because they've taken too long to get to court, as a result of Askov.

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I don't recall that issue ever having become prominent in any way in the commission's deliberations. In the two commissions I was involved in as counsel, the judges and their advocates placed a lot of emphasis on the workload of the provincial judges and on the changes in the workload over the years as a result of changes in the Criminal Code and procedural practices.

I'd certainly be willing to listen, if appointed, to whatever anybody had to say about the link between the number of judges and remuneration. Usually it tends to translate itself into submissions concerning workload.

Ms. Horwath: Thank you. Those are my questions, Mr. Chair.

The Acting Chair: Thank you. I'll give it back to Andrea.

The Vice-Chair: Thanks very much. That concludes all of the questioning. You're welcome to take your seat and stay for the next few minutes. We're going to go

through the process of concurrence on the various appointees. Thank you very much for coming. If you do decide to stay, you'll find out very soon whether your appointment has been approved. If not, the clerk will let you know.

Mr. Filion: Thank you, Madam Chair.

The Vice-Chair: We're now going to consider the intended appointment of Peter O'Brian, intended appointee as chair, Ontario Educational Communications Authority. Can I have a member move concurrence.

Mr. Parsons: I would move concurrence.

The Vice-Chair: Any discussion? All those in favour? Anybody opposed? That carries.

We're now going to consider the intended appointment of Andi Shi, intended appointee as member, Ontario Rental Housing Tribunal.

Mr. Parsons: I move concurrence.

The Vice-Chair: Any discussion?

Mr. Tascona: I would only comment that I'm not going to support this appointment, as opposed to the previous selection and the other two, Patricia Vanderdonk and Roy Filion, who are eminently qualified for their appointments. I don't believe, with respect, that Andi Shi is. He's obviously quite affiliated with the Liberal Party and is being promptly rewarded, so I won't support it.

The Vice-Chair: Any further discussion? Concurrence has been moved.

Mr. Tascona: Recorded vote.

Ayes

Berardinetti, Delaney, Oraziotti, Parsons, Smith.

Nays

Tascona.

The Vice-Chair: The motion carries.

We're now going to consider the intended appointment of Patricia Vanderdonk.

Mr. Parsons: I move concurrence.

The Vice-Chair: Is there any discussion? All those in favour? Any opposed? That carries.

We'll now consider the intended appointment of Roy C. Filion, intended appointee as member, Provincial Judges Remuneration Commission and Justices of the Peace Remuneration Commission.

Mr. Parsons: I move concurrence.

The Vice-Chair: Is there any discussion? All those in favour? Any opposed? That carries as well.

Thank you all very much. Congratulations, Mr. Filion and Ms. Vanderdonk, you've been appointed officially.

COMMITTEE BUSINESS

The Vice-Chair: I don't know that there's anything else on the agenda, so is there any other business that anybody wanted to raise today?

Mr. Tascona: Yes. I wanted to go back to the standing committee on government agencies' ruling by the Chair. I just had a question or two.

First of all, it says in the decision that the Greenbelt Foundation is a non-profit corporation that was created in June 2005 by the government. How was it created? Was it created by statute? If you don't have that answer, you can perhaps find out.

The Vice-Chair: It was created by letters patent, and I just need to clarify that. Although there's no debate on this ruling, I'll entertain one or two questions of clarification. But it's not appropriate to go into any debate.

Mr. Tascona: I understand that a non-profit corporation is created by letters patent, but the government created this commission. I'm just trying to find out whether it was by statute or order in council. How was it created? That's my first question.

The second one: Is it possible to get a copy of the letter from the minister with respect to the appointments of the interim board? It says it was via a ministerial letter. Can we get a copy of that?

The Vice-Chair: We could probably request a copy of that letter if the committee wanted us to. We could probably send a request out and see if we can get it just through a simple request. I'd certainly be prepared to undertake that.

Mr. Tascona: If I have to make a motion—or is there any objection to getting a copy of that letter?

Mr. Parsons: I don't think that these appointments fall within the purview of this board. The Chair's decision was clear on that. We're debating the decision when we would pursue that.

Mr. Tascona: We're not debating anything. I'm just asking for information.

The Vice-Chair: I think Mr. Parsons's point is well taken. That's why I was a little nervous about getting down the road of having questions for clarification. I would think that if you want those letters, since that's not in the purview of this committee—and that's what the ruling indicated—then it might be appropriate for you to FOI them, Mr. Tascona. Since it's not in the purview of this committee, we should probably simply follow the decision that was—

Mr. Tascona: What I'll do is put a question on the order paper, since I consider this is an unbelievable end run around this committee. But what's new with the Liberal government? Thank you very much.

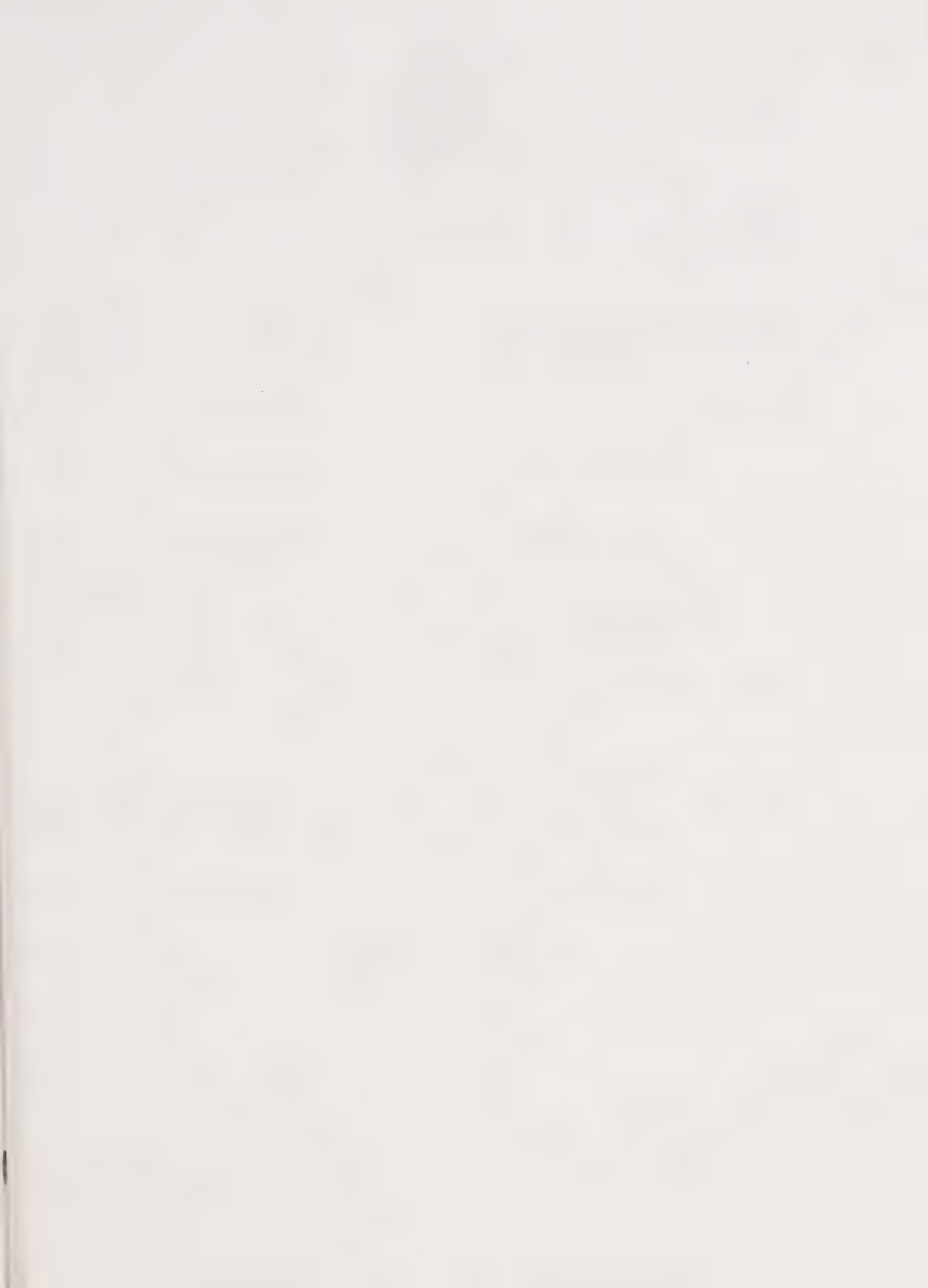
The Vice-Chair: Thank you, Mr. Tascona.

Is there any other business? No. Is there a motion of adjournment?

Mr. Parsons: I move adjournment, reluctantly.

The Vice-Chair: OK. That's great. Thank you all very much for your time today.

The committee adjourned at 1158.



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Mercredi 2 novembre 2005

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STANDING COMMITTEE ON
GOVERNMENT AGENCIESCOMITÉ PERMANENT DES
ORGANISMES GOUVERNEMENTAUX

Wednesday 2 November 2005

Mercredi 2 novembre 2005

The committee met at 1005 in room 151.

INTENDED APPOINTMENTS

CARYN WOLFE

Review of intended appointment, selected by third party: Caryn Wolfe, intended appointee as member, Ontario Review Board.

The Chair (Mr. Tim Hudak): Folks, I'll call the standing committee on government agencies to order for our meeting of November 2, 2005. As you can see on our list, we have two intended appointees for interviews today. If there is other business, my preference is to have that after the interviews. Is that OK with everybody? So we'll defer other business until after the appointments review.

Our first intended appointee is Caryn Wolfe. Ms. Wolfe, welcome. I like the spelling of Caryn, by the way. It's very unique.

Ms. Caryn Wolfe: Thank you.

The Chair: Ms. Wolfe is an intended appointee as member of the Ontario Review Board. Ms. Wolfe, please come forward and make yourself comfortable.

You may have seen the committee before. You're welcome to make an opening statement about your interest in the position and your qualifications. Then we do a rotation basis for members to ask any questions about you or your background. The total is 30 minutes. Any time that you take for your opening comments is taken out of the government's side. Questions today begin with the official opposition.

Ms. Wolfe, the floor is yours.

Ms. Wolfe: Good morning everyone, and thank you for the opportunity to introduce myself. I just have a short opening statement, which I'll read.

As an intended public member appointee to the ORB, I do not bring with me professional experience from a legal or mental health field specifically, but rather skills from other professional and volunteer experience that I believe would benefit the board in its important work.

For the past several years, I have been working in communications, broadly speaking, primarily on a freelance basis. Most of my project work has dealt with environmental health issues as these relate to climate change, air quality and tobacco reduction, and has

involved research and writing and the production of educational resource materials for public distribution.

Part of this work involves the research, review and assessment of large amounts of health-related information, at times scientific information that needs to be adapted to a plain-language format. The interpretation and critiquing of this kind of information and the necessary reflection time required to produce a well-balanced message, whether it be a report or a pamphlet for public use, are critical to this kind of work. I believe this would be relevant to the work of an ORB member, in part.

In producing this kind of product for this communications work, I have worked with others and as a committee member to ensure that the information intended for the public is accurate, thoughtful and informative. Not all of my work has been produced for public use, but some of it has.

Prior to this communications work, I taught at a community college, where I also, for a brief period of that time, assisted students with disabilities by liaising with community agencies to find necessary community programs that would improve that student's quality of life, whether they be community work programs, social activities or other supports. More recently, I participated in a training program for volunteers at the Halifax helpline, where I was on telephone duty, sometimes overnight, providing listening and support for people calling in, oftentimes people with mental illness.

Apart from this experience related to professional and volunteer work, I have a genuine interest in public health, and also in the mental health area as a growing public health concern. I'm also keen to learn more about it as quickly as I can and to contribute the skills that I've noted to the ORB.

That's my brief outline. I look forward to answering any questions.

The Chair: Great. Thank you very much, Ms. Wolfe, for your opening remarks. We'll begin any questions with the official opposition.

Ms. Laurie Scott (Haliburton-Victoria-Brock): Welcome to today's meeting, and thank you for appearing before us.

You worked in Halifax and now you're residing here; is it in the Hamilton area?

1010

Ms. Wolfe: No. I have actually recently moved back to Toronto. I have been moving around a bit. In Halifax I was pursuing some academic work at the time and I came back to Ontario.

Ms. Scott: How did you hear about this appointment? Or you just applied to this board, it looks like from your resumé, that you were interested in this board. I just wondered how you chose to apply for this Ontario Review Board.

Ms. Wolfe: I initially heard about the review board through Justice Carruthers. I'm a friend of his nephew's. He was the one who initially introduced me to the possibility of applying, which I then did. I initially sent in a resumé and then, in the process, applied on-line.

Ms. Scott: How long ago was it before—you applied, and then you were called?

Ms. Wolfe: I think it was about a year and a half when I first sent a paper copy of my resumé. During the course of that time, the process changed, and then the applications were being submitted on-line, which I did in July.

Ms. Scott: You didn't speak to any of the ministers or ministry staff, just the appointments officer?

Ms. Wolfe: No, I didn't. I've had a couple of conversations with Justice Carruthers, as some more questions that I had came up, and also did some of my own research on-line to find out more about the board and public appointment.

Ms. Scott: OK. Part of my question was, in preparation for today, you've researched who the following board members are. Are you're applying as a public member?

Ms. Wolfe: Right.

Ms. Scott: There are other members—lawyers, psychiatrists—who are on there, and you did mention something of your volunteer work. Do you have a vision, background, of how you fit into the board?

Ms. Wolfe: I've worked in the past with scientists and with professionals, whether on a committee, in a committee situation or through the helpline, so I think that I'm familiar with that kind of working relationship. That's the general kind of experience, as a public member, that I can bring to the board, and also provide perhaps a bit of a counterperspective to the professional members of the board, as a member representing the public.

Ms. Scott: What you have brought up about community work programs, and I know there's a lot of discussion out there if more community programs could be used or some projects tried: Do you have any ideas in mind of how we could get more community programs?

Ms. Wolfe: In relation to support systems, or community support for people who are being integrated back into the community, no, I don't at this time. It is a question I have in my own mind. I'd like to find out more about it, and if I am appointed, it would be one of the first things I'd want to explore and find out more about because I do think that's an important factor.

Ms. Scott: I believe there has been some research done on that and you can certainly research that more.

A part of the board is that you need to do a risk assessment of people who may pose a danger to society. I know there's a Winko decision out there that review boards must have hard evidence that the person poses a danger in order to deny an absolute discharge. Are you aware of that, or do you have any comment about how you can assess someone's risk factor if he's being released?

Ms. Wolfe: I've read a little bit about Winko, and I read with interest the different types of risk assessment tools that are available, the studies that have been done, and the tools that came out of that, as well as the intuitive versus the actuarial types of approaches to the risk assessment.

Again, at this point I think, being somewhat familiar with that in the literature, that I would need to take the time and the training process that happens to think more about that and what the risk assessment entails, because obviously that's a crucial element to the process.

Ms. Scott: I know this is a difficult question that I'm asking, but I'm sure it's something that's crossed your mind before. How would you react to the possibility that someone is given a discharge and re-offends? It has happened out there. I realize it's part of the job. You have to make decisions. Personally, it's going to be difficult at times.

Ms. Wolfe: Yes. I think, as a member of the board, that that's what you want to prevent from happening and to do whatever you can to make sure that doesn't happen, while at the same time respecting the liberties of the individual.

Ms. Scott: Do you know how many people are usually at a board meeting, the quorum, that would be making decisions such as this?

Ms. Wolfe: I believe the minimum is five; you know, the psychiatrist or psychologist, legal representation and public. I believe it's five.

Ms. Scott: So you're comfortable with that mix of backgrounds and people making decisions?

Ms. Wolfe: Yes.

Ms. Scott: Good morning. Thank you very much for your interest.

Ms. Andrea Horwath (Hamilton East): Good morning. You decided you were going to apply to this as a result of talking to Justice Carruthers. Is that right?

Ms. Wolfe: Yes.

Ms. Horwath: You talked a little bit in your opening remarks about some of your academic experiences, some of the writing you had done, and your familiarity with medical terms and those kinds of things. But what do you think specifically qualifies you for this particular position?

Ms. Wolfe: I think specifically that, as a public member appointee, some familiarity within the health field is helpful. Again, I'm not coming from a mental health background specifically, but in general the experience I've had in working with committees of a variety of

different people on them and also working with, I'm thinking, an air quality project, where I was meeting with Health Canada scientists who are speaking one way about air quality and having to interpret that kind of information to create a message for the public. Having that kind of relationship with professionals of that nature, I think there are some similarities there with working in a group such as the board. So I feel that's some relevant experience that I have.

Ms. Horwath: What experience do you have specifically there: volunteer or paid, with people who have mental disabilities or mental disorders?

Ms. Wolfe: The one that I mentioned with the helpline did involve what they called a lay counselling training program to assist people, which also included a suicide intervention. That was a very brief component of the training. So I've had that experience, listening to and supporting people who are phoning in to get information or just to talk, and also experience at the college, where I was assisting in certain cases people who did have either a mental or physical disability to make sure that they were getting into the right program or could find other community resources. Both of those experiences for me are very rewarding.

Ms. Horwath: Have you had any experience or contact with people who may have had contact with either the criminal justice system or the mental health system?

Ms. Wolfe: No. I'm just trying to think if one of the doctors I've worked with on one of the committees was related to mental health.

Ms. Horwath: I meant more from a person's perspective who was either incarcerated or suffering from a mental disorder. Are you at all familiar with anybody, or have you had any one-on-one experience, other than on the phone, with people who have been up against either the criminal justice system or, specifically, around these particular issues that you're going to be asked to deal with?

1020

Ms. Wolfe: On a more personal level, I have a friend of a friend who is now a journalist in Ottawa and writes about the criminal justice system. I have read quite a few of his writings and takes on that side. Apart from that, I see mental illness as much like cancer or heart disease. Most of us know someone with one or all of the three. My experience with people who have been incarcerated, no, it's not a lengthy experience, but I do feel that I have some exposure and appreciation for it.

Ms. Horwath: There was a question asked about the Winko decision. I think in your discussion you said you're aware of it, but you really didn't expand upon your kind of opinions about that issue. Could you do that a little bit for me, please?

Ms. Wolfe: I don't think I can, today. I've Googled it and I did read through some of the information that has been provided to me, but I don't feel that I can comment on that at the moment.

Ms. Horwath: I know this was touched on already, but I just wanted to talk a little bit more about the

situation where you're assessing an individual's mental condition and making the determination as to whether or not they pose a threat to the safety of the community. If your personal experience is not one that is contact with people in that particular situation or with that particular condition or disability, how will you make those assessments? What will you rely on in terms of your putting together a judgment on these issues?

Ms. Wolfe: I'm going to rely on my own experience and judgment in the way I do in a professional and volunteer sense but, more so, I believe I'll rely on the learning and training, and the information. I understand it could take up to six months before one is actually a—I'm not quite sure of the term—full-fledged member of the board. My feeling is that that's a very important time to find out more about the risk assessment tools, to have an exchange with current board members, and to find whatever other resources there are to prepare myself to make those types of decisions.

Ms. Horwath: We usually ask at the beginning of these interviews questions about your political affiliation. Are you a member of any political party?

Ms. Wolfe: No, I am not.

Ms. Horwath: Do you donate regularly to any political party?

Ms. Wolfe: I don't, no.

Ms. Horwath: I don't know how much time I have.

The Chair: Two minutes.

Ms. Horwath: The last question I wanted to ask was more around the issue of your general sense of the system, the way it works currently, and whether or not you believe that the review board system provides the appropriate safeguards for the rights of both the public and the accused in the process. If you could comment on that, I think that would be helpful.

Ms. Wolfe: Again, I don't feel I know enough about it yet. From the reading that I have done, my sense is that there has been some recent progress—what I see as progress or at least some changes—made that influences, I suppose, the power of the board or the ability of the board to do its work in a way that does allow it to provide the best balance and to make the best decisions. I am feeling like I can't answer that question because I don't know enough about it at this time.

Ms. Horwath: OK. Thank you, Mr. Chairman.

The Chair: Ms. Horwath, thank you very much. To the government side.

Mr. Ernie Parsons (Prince Edward-Hastings): I think probably of all the disabilities, mental illness is the one that is least understood by the public. As humans, when we don't understand something, we tend to stay away from it and avoid it.

I don't have a question; I just want to thank you for putting your name forward for this. I think it is important that there be a representative of the general public to work with the professionals in this field. Thank you for your interest in this.

The Chair: Any other questions?

Mr. Parsons: No.

The Chair: Ms. Wolfe, thank you very much for your presentation. We have one more interview and then we'll move to the concurrence votes on how the members feel about the intended appointments. You're welcome to stay, and that will probably take place in about 20 minutes to half an hour. Thank you very much for your presentation.

Ms. Wolfe: Thank you.

J. BERNARD COMISKEY

Review of intended appointment, selected by third party: J. Bernard Comiskey, intended appointee as member, Consent and Capacity Board.

The Chair: Our next intended appointee is J. Bernard Comiskey. Mr. Comiskey hails from the Chatham-Kent area. I read his background. He used to work for the Wish Foundation, which I had a chance to visit in Chatham before. Mr. Comiskey, welcome. You're an intended appointee as a member of the Consent and Capacity Board. With a name like Comiskey, are you a Chicago White Sox fan? Are you still celebrating?

Mr. J. Bernard Comiskey: We are distant relatives.

The Chair: That's not a bad thing to be.

Mr. Comiskey, welcome. You're welcome to make some opening comments about your background and your interest in the position on the Consent and Capacity Board, and then we'll follow on a rotation basis, beginning with the third party, on any questions they may have about your qualifications. Mr. Comiskey, the floor is yours.

Mr. Comiskey: Mr. Chairman, honourable members, thank you for the opportunity to speak to you and express to you my experience and qualifications for the position of member lawyer on the Consent and Capacity Board.

I was born and raised in Chatham and am the eldest of 10 children. I have been married to my wife, Nellie, for over 42 years and we have three adult sons. I returned to school as a mature student in 1969, obtaining a bachelor of arts with a major in psychology from the University of Windsor, followed by a bachelor of laws from Windsor. I articulated in Chatham, and during my articles, I searched titles to property and made some appearances in quasi-criminal proceedings. After completion of the bar admission courses, I began working in the area of criminal law, appearing as counsel in many trials, both before a judge alone and with judge and jury.

As my practice evolved, I began to work in the areas of family and insurance law. With an increase in that practice, I ended my work in criminal law. In the insurance matters, at first, I represented injured plaintiffs. Then, insurance companies asked me to do defence work for them. In that capacity, I represented municipalities, townships and a couple of major transport companies.

In the family and insurance litigation, I made many appearances in court, conducting motions and trials. I have appeared as counsel at several tribunals, including the Criminal Injuries Compensation Board, the Ontario Highway Transport Board and the Liquor Licence Board.

I've made several appearances, over the years, at the planning board for the city of Chatham.

When my partner, John Watson, died unexpectedly in 1986, I found that the solicitor's practice which he had developed was now in my hands. Consequently, the insurance work was eliminated as I pursued real estate and estate work, at the same time maintaining my family law practice. I have recently reduced my family law practice and can devote time to the Consent and Capacity Board as needed.

Over time, psychological and mental health issues have arisen in my practice. After becoming interested in sitting on this board, I have read some of the cases which are found on the board's Web site. I am cognizant that the issues before it are time-sensitive, and I am prepared to provide the time necessary to meet that requirement.

In 1989, I was approached by Judge Clements and Judge Dodd, the sitting judges in Chatham, to be a deputy judge of the Small Claims Court. I accepted that request and have been repeatedly reappointed for subsequent three-year terms. In the early days, the limit of the court's jurisdiction was \$2,500, which was increased to \$10,000 a few years ago. In the last five years, I have been sitting as a deputy judge two or three days a month. I have conducted pre-trials in Sarnia and generally I hear trials in Chatham. With the increase in the monetary jurisdiction, the matters have become more complex and, in many instances, the parties would appear with lawyers. In the pre-trial work, I have been successful in resolving about one half of the matters that have come before me. In some trial matters that I have heard, I have provided written reasons for my judgments. Where I've reserved my judgment, I have always made it a point to deliver the reasons and the judgment within one week, but usually in two or three days.

1030

In 1996, I attended in Toronto for an intensive four-day workshop in alternate dispute resolution, receiving a certificate from the University of Windsor upon completion.

As to volunteer work, I was involved for five years with the Sertoma club, a service club doing charitable works. I was asked and became a first director the WISH Centre, a centre for the education enhancement and sports centre for area children. I have been on the executive of the Kent Law Association and acted as president in 1999.

The Consent and Capacity Board is mandated to adjudicate in very critical areas involving the freedom of the individual who is afflicted with some mental health difficulty. The board must protect the rights of the individual, at the same time balancing the need to protect that person from harming himself or members of the public.

I bring to the Consent and Capacity Board an ability to listen, 30 years' experience as a lawyer, life experiences and judicial experience. I'm qualified for the position as a lawyer member on the Consent and Capacity Board and ask for your approval of my application. Thank you.

The Chair: Thank you, Mr. Comiskey, for your opening remarks. We'll begin any questions with the third party.

Ms. Horwath: Mr. Comiskey, as part of the process that we usually undertake, do you belong to any political party?

Mr. Comiskey: Yes.

Ms. Horwath: Can you tell me which one, please?

Mr. Comiskey: I'm a member of the federal Liberal Party, and I am a Liberal.

Ms. Horwath: Do you donate to the Liberal Party?

Mr. Comiskey: Yes, and in the past I think I have donated to the Conservative Party as well.

Ms. Horwath: That's for the record. I appreciate you being upfront about that. Do you work on political campaigns?

Mr. Comiskey: Not really, no. I'm sort of—

Ms. Horwath: So they can't get you out to the campaign, but they can get your money. I'm only pulling your leg.

Mr. Comiskey: Yes and no on that situation.

Ms. Horwath: Mr. Comiskey, I wanted to ask you some questions to try to get a sense of where you're coming from in terms of participating on the Consent and Capacity Board. I don't know if you're aware, but there is a current review being undertaken by the Ministry of Health and Long-Term Care by a consultants' group. I've unfortunately heard some criticisms of that review, so I thought it was important to call people who are applying for the Consent and Capacity Board to just get on the record some of their opinions about various issues.

I wanted to start with asking a little bit about your perspective on community treatment orders. Because of your legal background, you may know that there are legal issues around the community treatment order and whether or not they are constitutional. Maybe if you could start with that and then I'll give you a chance maybe to talk a little bit more from a personal perspective as to whether you think they're an effective tool.

Mr. Comiskey: The first thing I can tell you is that in about eight months, I might be able to answer that question—or so. I'm just guessing. I haven't been trained for the Consent and Capacity Board. I know that's something that's going to happen before I am allowed to sit as a full-time member, I guess, or as a presiding member on the panel of three who sit on the Consent and Capacity Board. I really can't speak to that issue at this time, but ask me in another eight months and I probably would have an opinion.

Ms. Horwath: You can't speak to which issue? The legal issues around the community treatment order?

Mr. Comiskey: Yes, the community treatment order, because I'm not really quite familiar with those as yet. I do know they exist—

Ms. Horwath: OK. So you don't necessarily understand what the role of the community treatment order is in the process.

Mr. Comiskey: I really don't.

Ms. Horwath: Oh, OK. That was kind of one of the most important things I wanted to probe with you.

Let me ask you, then, around issues of determining whether a patient poses a threat. You know that the psychiatrist has to make their best judgment on that and those are the kinds of issues you'll be reviewing. Do you have any familiarity with that particular issue?

Mr. Comiskey: Unfortunately, not enough to be able to give you comments on that. I do know from my background as a judge—and I assume the same thing will apply quite handily on this board—that you listen to the facts, find out what the facts are, apply the law to them and make a judgment. I've done that in the past as a judge in Small Claims Court and I feel quite confident that, given the proper training and understanding of the full consequences of the legislation, I will be able to make the same judicial determination.

Ms. Horwath: You talked in your opening remarks about some of your broad experience in family law and different areas of the law. Have you ever done any volunteer work or paid work for people with mental health concerns?

Mr. Comiskey: That's an interesting question that you've asked, because in my practice sometimes people come to me who are definitely having some difficulties, either psychologically or with some kind of a mental illness. While other lawyers may be paid for it, I've sometimes done that for free. I've helped them the best I can, given them the encouragement to do things like seek medical assistance and made sure that they were taken care of.

Ms. Horwath: So you would say you have a fair amount of exposure to, and experience with, people with mental health concerns?

Mr. Comiskey: It's just that those issues come up in your practice. In family law, a real example of that is the husband and wife. Whenever one of them arrives at your doorstep, they have really had some difficulties in their life. They come fraught with psychological problems that are sometimes overwhelming. You have to make sure that you direct those people to at least seek medical help. If you have concerns, there must be something to be concerned about.

Ms. Horwath: Are you familiar with the Supreme Court ruling concerning an individual's right to refuse treatment?

Mr. Comiskey: Not fully. I think I've seen something about it, but I'm not really in a position to try to comment on that particular case.

Ms. Horwath: The Starson case—

Mr. Comiskey: Yes, I do remember something about that.

Ms. Horwath: Do you have any thoughts particularly on that difficult issue of determining an individual's capacity to refuse treatment?

Mr. Comiskey: I really haven't developed a thought process with respect to that. It didn't come through my training. I know that's a very difficult situation. I know it's something that, no doubt, the Consent and Capacity

Board has to deal with. But as I said, the training that I haven't received yet, which I hope to get if I am approved, will enable me to make some proper decisions with respect to that issue.

Ms. Horwath: In my discussions with advocates, both people who are consumer survivors of the mental health care system as well as workers who work on the front lines with people with mental health disabilities, it's been mentioned to me that there is a concern that the Consent and Capacity Board is often weighted more heavily from the legal and medical perspective. Unfortunately, the people before that board often feel that their circumstances and their illnesses are not well understood, and that the analysis that's done in the decision-making process is often very clinical or very legalistic. I'm wondering if you've ever heard any criticisms of that nature, and would you be prepared to at least consider those kinds of criticisms as you go forward in this appointment?

Mr. Comiskey: I haven't really heard about those criticisms at all, quite frankly. If there's something that develops where I'm sitting, and I see certain things happening and think there can be some help or some suggestions made, I think I'm quite prepared to step up and do that.

1040

Ms. Horwath: That's excellent. Could you just remind me how you came to apply for this particular position?

Mr. Comiskey: A friend of mine who is a lawyer member in Chatham, Steve Fuerth, came to me back in the winter—the end of March, I think it was, or the middle of March—and told me that he had been speaking to a psychiatrist member from the Chatham area who had indicated that there was a need for member lawyers in the Chatham area, and would I be interested? I really didn't know anything about the Consent and Capacity Board, so I asked him how that worked. He told me what was involved, just in a peripheral way, and it sounded like something I should do. So I sent in my resumé to the Consent and Capacity Board, and now I've ended up—

Ms. Horwath: And here you are.

The Chair: Thank you, Ms. Horwath. To the government side.

Mr. Parsons: We have no questions. We want you to leave happy, because some of us may be appearing before you some day.

The Chair: Any predictions, Mr. Parsons?

Mr. Parsons: I'm looking in the mirror right now.

The Chair: The official opposition.

Ms. Scott: Thank you for appearing before us here today. You come with a large background of knowledge. You're going to be sitting on the board as a lawyer, and you're going to be sitting with psychiatrists and other members on the committee. I wondered if you could just give a little view—you've talked to your friend who was on the board—of your role or capacity. There's going to be a large learning curve. I will ask you if you know how long the training sessions involved are and, in your

capacity as a lawyer, what kinds of cases you might see where your background will assist you in making decisions. There are a couple of questions there.

Mr. Comiskey: The thing that I think is most important is that I come to the Consent and Capacity Board with judicial experience. The amazing thing about sitting as a judge, even in Small Claims Court—where the issues have been \$10,000 and where there have been many different kinds of suits in that court brought before me—is that you listen to them, you make the determination of what the facts are that are relevant, and you make a decision. I bring that to this board.

To try and answer some of those questions that you had in there, I know that the board sits generally as a three-person panel, with a lawyer member, a psychiatrist and a community member. Together, they make the decision concerning the patient whose particular problem they are reviewing.

From what I understand, the majority of the work has to do with the involuntary admission of patients to psychiatric hospitals or wards, and it is a review of that. I know that it is time-sensitive. I know that the person gets a rights adviser. This is just what I have gathered from talking with my friend. A rights adviser must advise that person within a day, or 24 hours, of them receiving a certain form. I have to backtrack again and say that I think I'm going to be trained in what those forms are and how that all works. That rights adviser tells that involuntary patient that they have the right to have a review of this before the Consent and Capacity Board. Within seven days, I believe it is, a Consent and Capacity Board hearing has to be held to listen to that particular problem. Witnesses are called, the doctor is called, and the patient can have a lawyer present. I don't know who all can appear, but I'm sure that it's relatively open for the lawyer of the patient to call people who are going to be able to put their position forward. So you listen to the facts, you apply the law and make a decision with the two people who are on the board with me. Did that answer that question for you?

Ms. Scott: You did very well. You've acknowledged that there is a lot to learn, and this is the knowledge you're coming from. You have a good grasp of the role of the committee and what they're reviewing. They'll probably be calling on your expertise in some degree, maybe with the Personal Health Information Protection Act. I don't know; do you have a background—it's privacy laws, in general.

Mr. Comiskey: I really don't.

Ms. Scott: OK. I was just wondering; that is an issue that does come up about privacy laws and case files, etc. I just wondered if you had a bit of a background from your legal practice.

Mr. Comiskey: I'm sure that that privacy law—I'm not very familiar with it—is in place to protect the individual, and obviously, that's what I will hopefully learn on this learning, if I get to that level.

Ms. Scott: You have a good background, and Ms. Horwath did a good job of asking questions previously,

so I think that I'm finished. Thank you very much for appearing.

The Chair: Great. Mr. Comiskey, thank you very much. This does conclude our interview. We will move next into our votes on members' feelings about the appointments. If you don't mind, please step back, and we will proceed.

Mr. Comiskey: Thank you very much.

The Chair: You're welcome to stay to see the concurrence votes.

In order of the intended appointees that came before the committee, we will now consider the intended appointment of Caryn Wolfe, an intended appointee as member of the Ontario Review Board.

Mr. Parsons: I would move concurrence.

The Chair: Is there any debate or discussion?

Ms. Horwath: I just wanted to say that I was a little bit concerned in both of these interviews around the candidates not having a good grasp of mental health rights issues; that concerns me. Notwithstanding the fact that this is a public appointment, in the interview process it clearly was indicated to me that Ms. Wolfe doesn't have a lot of experience in that vein. Having said that, though, unlike some of the other candidates who have come to this committee, at least I get the sense that she has the capacity to learn and to understand, given a little bit of time—probably not too much.

Although I still have my concerns and want to get them on the record, I think that Ms. Wolfe, although she doesn't have very much of that experience now, hopefully will be able to use her previous experience to get up to speed fairly quickly. I'll just leave it at that.

The Chair: Thank you, Ms. Horwath. I apologize for the distraction of the noise. The clerk is looking into that. Everything came through OK on Hansard? OK, super.

Are there any other comments or debate on Ms. Wolfe's intended appointment? No. Then I will move the question. All those in favour of the motion? Any

opposed? It is carried. Ms. Wolfe, congratulations, and all the best on the board.

We will now consider the intended appointment of J. Bernard Comiskey. Mr. Comiskey is an intended appointee as a member of the Consent and Capacity Board.

Mr. Parsons: I move concurrence, please.

The Chair: Debate or comments?

Ms. Horwath: Again, I wanted to put on the record the fact that I still have concern that Mr. Comiskey, although he is a lawyer member and has extremely pristine qualifications in regard to his legal background, he was unable to even discuss the community treatment order issue, and that's probably the most controversial issue that exists within the Consent and Capacity Board. I'm concerned again about the understanding about mental health issues and of mental health rights of people who have mental illnesses. In that regard, I lay those concerns on the table; I think they're important to get into the record. However, I do acknowledge that he does have significant experience and can bring the legal piece to the table in terms of his background. I won't vote against or ask for any recorded vote, but I do want to make sure that those issues are on the record.

The Chair: Any other comments? Then I will call the question. All those in favour of Mr. Comiskey's appointment? Any opposed? It is carried. Mr. Comiskey, congratulations and best wishes on the Consent and Capacity Board.

We have now concluded our intended appointees for the November 2 meeting. Is there any further business from the members of the committee?

I remind members, if you need reminding, that next week is constituency week, so the committee will not meet again until two weeks hence, which would be Wednesday, November 16, at 10:00 a.m. We should try to get together sometime next Wednesday.

Folks, thank you very much. Our meeting is adjourned.

The committee adjourned at 1050.

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Official Report of Debates (Hansard)

Wednesday 16 November 2005

Journal des débats (Hansard)

Mercredi 16 novembre 2005

**Standing committee on
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STANDING COMMITTEE ON
GOVERNMENT AGENCIESCOMITÉ PERMANENT DES
ORGANISMES GOUVERNEMENTAUX

Wednesday 16 November 2005

Mercredi 16 novembre 2005

The committee met at 1005 in room 151.

SUBCOMMITTEE REPORTS

The Vice-Chair (Ms. Andrea Horwath): Good morning, members. We're going to start the committee meeting, since we do have quorum and it is past the allotted time. Our Chair is going to be joining us hopefully within about 10 or 15 minutes, so at that time I'll relinquish the chair to him when he arrives.

The first order of business is the report of the subcommittee on committee business, dated Thursday, November 3, 2005. Can I have a member move its adoption, please?

Ms. Monique M. Smith (Nipissing): I move the adoption.

The Vice-Chair: Moved by Ms. Smith. Is there any discussion? No? All those in favour? Any opposed? That motion is carried. Thanks very much.

Our next order of business is the report of the subcommittee on committee business dated Thursday, November 10, 2005. Again, could I have a member move its adoption?

Ms. Smith: I move adoption.

The Vice-Chair: Ms. Smith has moved adoption. Is there any discussion? Seeing none, all those in favour? Any opposed? That motion also carries.

Our next order on the agenda is other business but, as is the tradition of the committee, we'll save any other business to the end of the appointments review process, if that's all right.

INTENDED APPOINTMENTS

JENNIFER BABE

Review of intended appointment, selected by official opposition party: Jennifer Babe, intended appointee as member, GO Transit board of directors.

The Vice-Chair: We will go into the first interview, which is with Jennifer Babe, intended appointee as a member of the GO Transit board of directors. Ms. Babe, please come forward. Welcome. Good morning.

Ms. Jennifer Babe: Good morning.

The Vice-Chair: I'm going to explain the process to you and then we'll move on from there. As you might be aware, you have an initial opportunity, if you choose to do so, to make some comments and tell us why you're

interested in this position and what brings you here. Subsequent to your initial statement, on a rotational basis, the members will be asking questions of you. Your initial statement will be deducted from the government's side, in terms of the time that's allotted to each party for questions, and that time frame is 10 minutes each. The first to be asking questions at the end of your initial statement will be me, which is kind of awkward, but we'll get to that at the time.

In the meanwhile, welcome. The floor is yours.

Ms. Babe: Thank you, Madam Chair. Good morning. I am pleased to be here today. After I make this opening statement, I look forward to the committee's questions regarding my proposed appointment to the board of GO Transit. To start, let me explain why I'm interested in working with the board of GO Transit as a citizen member.

To any resident of the GTA, it is self-evident that safe, efficient, public transportation is critical to maintaining and improving the quality of life in the Golden Horseshoe and surrounding municipalities. For many, affordable housing means commuting from home to job and, for students, commuting from home to their educational facilities. As a partner in a firm with offices in Guelph, Kitchener, Markham and Toronto, I know first-hand that the members of our firm travel extended distances to work and need integrated public transportation systems to earn a living and care for their families. Efficient public transportation is a key infrastructure component of a strong Ontario economy.

One need not live here long before understanding gridlock. My perception is that traffic is getting worse. Growing density inside and outside of this city is increasing our need for integrated public transportation systems to take pressure off of our limited number of roadways and to facilitate business and family life.

One need not live here long before becoming concerned about our air quality. We see the colour of the air from our office windows and when landing at Pearson. Public transportation is clearly one important element in preserving our collective respiratory health, as well as our environment. I want to live in a healthy community.

I can bring to the board of GO Transit my experience from over 20 years of private practice of corporate commercial law. In my practice, I advise vendors, lenders and lessors on the secured placement of capital equipment and I advise business clients on their expansion and acquisition contracts. I think my experience would be a

valuable contribution to the deliberations of the board of GO Transit, a business with growth plans. In addition, my experience as a corporate lawyer affords me a sound understanding of the fiduciary duties applicable to board members and good corporate governance.

In addition, I have experience in working with various federal and provincial government ministries from my work on law reform projects for the Canadian and Ontario bar associations, and from serving as chair of the commercial law strategy of the Uniform Law Conference of Canada for the past two years.

Let me conclude by stating that efficient, integrated public transportation is a key issue in the GTA and environs. GO Transit is a critical component to ensuring that we can all work, study and enjoy a healthy quality of life. I am keen to contribute to GO Transit and its future, and think that my work experience will allow me to be a valuable member of its board. Thank you.

1010

The Vice-Chair: Thank you, Ms. Babe. I'm going to ask the committee if it would be agreeable for me to begin questions from the perspective of the third party by not actually having to get up and move over to the other side of the table. If that's all right, then I'll turn the Chair over to Ms. Scott.

Ms. Andrea Horwath (Hamilton East): Can I start asking questions?

The Acting Chair (Ms. Laurie Scott): Yes, please.

Ms. Horwath: I just have a few questions. I went through your resumé and you have some very interesting experience, and that's certainly positive. I just wanted to ask you some questions generally about the GO Transit service. Do you currently use the service yourself?

Ms. Babe: No, I reside at Yonge and Summerhill, so I use the TTC.

Ms. Horwath: But you do use public transit.

Ms. Babe: I do.

Ms. Horwath: OK. You are probably aware of some of the challenges that the GO Transit system has faced with regard to determining capital expansion needs and where to expand service further west and east. Could you comment on your understanding of those challenges?

Ms. Babe: We have to expand and we have to make those other communities lying further west and east accessible for people to work and travel to downtown Toronto. As an employer, I know that I have people in my office who are travelling from well west of Hamilton to come down every day, and we need those people to be able to come here and work with us. So I am looking forward to being fully briefed, if I become a member of the board, as to the challenges in getting greater access, because I realize that people are travelling huge distances to get to work.

Ms. Horwath: If you were looking at the available funds and the demand in various communities, how would you go about deciding which communities need to get transit first? How would you prioritize the communities that would be next serviced by GO Transit?

Ms. Babe: I don't know yet, not having been fully briefed, but my initial thought is by percentage of population. Where are the most bedroom-type communities that could best be served and how do we get better access to them on a population basis.

Ms. Horwath: You might be aware that there has been an initiative to consolidate the transit systems so there's a one-pass system. For example, in communities like the one I'm from, Hamilton, and other communities, like Burlington, you'd be able to buy one pass that could be used on your local transit as well as on GO. Do you know anything about that initiative and can you tell me what—

Ms. Babe: I've read a little bit about it from both the Web site and the materials I've been provided to date. I think it's a very positive initiative to encourage people, for convenience and economy, to have a one-fare system.

Ms. Horwath: Are you aware of what the effect will be on the revenues of the transit system?

Ms. Babe: Not yet. I need to be briefed on that.

Ms. Horwath: Are you aware that there's some concern about the possible loss of discounted fares for people like senior citizens, for example?

Ms. Babe: That was in the materials provided, that there would be a possible \$2-million loss. I'm aware of it, but I don't know enough about it at this time to be able to tell you a good opinion about it.

Ms. Horwath: There's been some discussion about the possibility—in fact, a private member's bill was introduced—of introducing tax credits for people who use transit. Are you aware of that initiative and can you tell me what your opinion is of that idea?

Ms. Babe: I did receive a flyer at my door at home, telling me that one of the parties was proposing a possible tax credit for my use of public transportation, and my first thought as a taxpayer was that I'm not sure how one allocates income taxes and other taxes, as opposed to tax credits, and what will be a good balancing of sources of revenue to be fair to people who really need to use public transport.

Ms. Horwath: You said that your most experience at this time is with the TTC. But what would you say would be some of the broader challenges that the greater Toronto area has with regard to transit overall?

Ms. Babe: Increasing the number of routes and the service to make it so easy and so affordable and to make sure more people are using an integrated transit system. There are 170,000 people a day riding the GO train system. We need more and we need to make it very simple, efficient and a choice for people to get on the GO system and use the integrated municipal bus systems to get to the GO trains and get home. A focus for me is, how can we increase usage?

Ms. Horwath: Are you aware of what the capital needs of the GO system are at this point?

Ms. Babe: I've read about the outline of the capital budget, both for this coming budget year and for the coming 10-year plan into 2014. The numbers are large, yes indeed. I understand, from the age of rolling stock,

maintenance of the facilities and the need for expansion of the facilities, the need for the capital budget.

Ms. Horwath: I don't have any other questions, so I'll say thank you very much.

The Vice-Chair: I'll take the chair back and now ask for Ms. Scott to take her 10 minutes of questioning.

Ms. Laurie Scott (Haliburton-Victoria-Brock): Thank you for coming and appearing here today. Certainly, gridlock and expansion of GO Transit is a very large topic. You mentioned employees that come and work in your office. Have you had a lot of other experience? If you could expand a little bit on your reasoning for going on the GO Transit board: Why did you choose the GO Transit board?

Ms. Babe: I was actually called. I didn't apply; I was called.

Ms. Scott: Who were you called by?

Ms. Babe: I was called by a woman I know from in-house counsel, who was called by the ministry. The ministry was seeking candidates for this position. I had not thought of this position. I received the call, and I did become interested. It's certainly one of my issues personally to give back to the community and participate. I thought this would be a perfectly good way to contribute to the community that has served me well over the last 30 years.

Ms. Scott: I'm sorry, just to clarify: The in-house counsel was in your firm?

Ms. Babe: No, she's a client. She had been contacted by the ministry and was asked to give names of people that she worked with that she would recommend as good candidates. She was kind enough to put my name forward. Then I was called by the minister's office to see if I would be prepared to put my name forward. I was, and I applied. I was then interviewed by the minister, who discussed my qualifications and my résumé with me. I then had several telephone conversations with the present chair. After that, I was told that my name went forward to cabinet.

Ms. Scott: You were called by the Minister of Transportation?

Ms. Babe: I was.

Ms. Scott: Minister Takhar called you directly?

Ms. Babe: Yes, I met with him.

Ms. Scott: Have you been a member of the Liberal Party, provincially or federally?

Ms. Babe: No.

Ms. Scott: Have you ever donated to the Liberal Party.

Ms. Babe: My former family doctor is Carolyn Bennett. I write a cheque to Carolyn every year. It doesn't matter to me which party she belongs to. I support Carolyn as a great politician.

Ms. Scott: You were mentioning before about ridership and the number of people that commute every day. I live in the rural riding of Haliburton-Victoria-Brock, and some day I'd like to see GO Transit come to the southern part of the riding. But I think initially what's in the news and what we hear most is the pressure

coming from Barrie and the 400 series of highways. The stats are, for example: Every day, 31,000 commuters travel Highway 400 to come in to work, to get jobs in the GTA; drive-in rush hour period is 15 hours each way. I know personally people who come in from Barrie, and it's a three-hour trek, an hour and a half each way, when they come in. I just wondered, have you done some research on that? Do you feel that Barrie is a priority for the GO Transit board? Do you have any feedback about the Barrie area specifically and the expansion of GO Transit?

Ms. Babe: I understand from my general reading that both Barrie and Waterloo area are the two hottest-growing communities that we have in southern Ontario at this time. So obviously, it's going to be very important to be able to extend public transportation to them to afford means of access to Toronto for those communities.

Ms. Scott: Do you have any more comments about the broad direction you'd like to see for GO? I know that you haven't had your orientation to the board etc., but just from your knowledge, what do you see is a larger role that the GO Transit board could play? A lot of it's with respect to the details regarding the Greater Toronto Transit Authority and maybe the role that GO has with that authority.

Ms. Babe: The answer is, I don't know.

Ms. Scott: OK. What role should a Greater Toronto Transit Authority have in the whole long-term plan? Governments change, and expansions of highways and GO Transit seem to get caught in politics instead of the overall plan for growth in the area. Do you have any comments about what authority a Greater Toronto Transit Authority should have as governments change over? Should they be the stable force? What members should they be composed of?

1020

Ms. Babe: Ideally, it should be a stable force, because it is too important to allow it to have down time, so to speak, between elections, elections provincially and municipally. I can understand why the need would be for a continuing body that would be available.

I don't know how it's going to work between provincial, federal and municipal money, and I know that's of huge import behind that, and how it would have to be structured. I'm looking forward to being briefed on it.

Ms. Scott: There's no question there needs to be some form of leadership which incorporates all three levels of government and planning, so I hope the present government could bring that more into fruition, the Greater Toronto Transit Authority, so their plans could be moved forward on a more stable basis.

I know Ms. Horwath asked you about the private member's bill that was introduced by my colleague John O'Toole, who represents the Durham riding, which also has a large amount of commuters that come in and out. It's about a public transit tax credit, and I know that one of the federal parties is also looking into a public type of tax credit. I know you couldn't comment on the specifics, but in general, do you think that some type of tax credit incentive would increase ridership?

Ms. Babe: I don't know. I don't know whether it's going to be a credit that's going to induce more people, or a more economic, integrated fare with a one-pass system, and the impact of either of those on overall revenue. I know it's going to be difficult, as among the provincial purse, the municipal purse, the citizen's purse, but the nickels are going to come from somewhere. I don't know yet which is the best place to take the money or to return the money and what is going to be the best inducement for ridership.

Ms. Scott: But do you see the board's role as looking at the overall picture and trying to get a more efficient transit system going, a one-fare, whether it involves tax credits or not, just some type of—I mean, the Europeans have this down to an art.

Ms. Babe: They do indeed.

Ms. Scott: A lot to be learned. That's all the questions I have. Thank you very much.

The Vice-Chair: Thank you, Ms. Scott. With my profuse apologies to the government side, who should have actually been going after me and before Ms. Scott, I turn it over to you. Again, I apologize. It's nothing other than it's a rainy, terrible morning and I got up on the wrong side of the bed, so I apologize for that. You have a couple of minutes.

Ms. Smith: No problem. We have no questions for Ms. Babe. We'd just like to thank you for putting your name forward. We think you're an excellent candidate and would be a great addition to the GO board. Thank you very much.

Ms. Babe: Thank you.

The Vice-Chair: Just to let you know, you're welcome to stay, if you like. We have two more interviews, and then after that takes place, we'll go into the concurrence process. It's certainly up to you. You can stay; you don't have to. The clerk will notify you of the decision of the committee.

BARBARA HALL

Review of intended appointment, selected by official opposition party: Barbara Hall, intended appointee as chair, Ontario Human Rights Commission.

The Vice-Chair: Our second interview is with Barbara Hall, the intended appointee as chair, Ontario Human Rights Commission. Ms. Hall, if you wanted to come forward and take a place at the end of the table, we would appreciate that. Good morning and welcome.

Ms. Barbara Hall: Good morning. Thank you.

The Vice-Chair: As you are probably aware, similar to the previous interviewee, you have an opportunity, should you choose, to make an initial statement. Subsequent to that, there are questions from the members of committee. Each party has about 10 minutes to question, and we go in rotation. This time we'll be starting with the government side. Any statement that you do make, however, will be deducted from the time allotted to the government side for their questions. With that, again, I welcome you. The floor is yours.

Ms. Hall: Thank you very much, Madam Vice-Chair. It's a real privilege to have an opportunity to meet with you and speak with you this morning about my nomination to a commission that it would be a great honour to be a member of.

I think you have a copy of my resumé, and I think that could tell you a couple of things: One, that I have difficulty holding a job, or I think, more seriously, that in a sense my professional and my volunteer life has been preparing me for the Ontario Human Rights Commission. As a young child, I had a passion for understanding injustice. I spent part of my childhood in Halifax, a community that had, at that time, in the early 1950s, a bad record in terms of race relations. Black people lived, basically, in a segregated society. I think my abhorrence for that led me into the civil rights movement of the 1960s. Since then, everything that I've done, wearing a range of hats, has been about building healthy communities that are built on principles of social justice and equity. In all of my positions, I have worked with a range of groups to, where appropriate, advocate for new laws that would address those issues, in other cases to see that laws were enforced, and as importantly or more importantly, to bring people together and do the kind of education and bridge-building that have people understanding their commonality and living well together, as opposed to exhibiting things that shut people out or damage or harm people. I have worked with many communities around the issue of racism. I've worked with many on issues of same-sex equality. I have worked with people with disabilities, with aboriginal peoples, with many groups who experience discrimination and barriers in our society.

I see the Human Rights Commission as being a place that could use my experience over many years to help make Ontario a better place for all of its residents to live and work and raise their families.

The Chair (Mr. Tim Hudak): Ms. Hall, thank you very much for the presentation and background interest in the position. I would begin any questions or comments with the government members.

Ms. Smith: We have no questions for Ms. Hall. We think she's eminently qualified, and as she outlined, I think her background has led her to this place.

We're delighted to see that you want to serve in this capacity and we want to thank you for that.

Ms. Hall: Thank you.

The Chair: The official opposition?

Ms. Scott: Thank you, Ms. Hall, for appearing before us today and for your extensive background in and contribution you've made to human rights. You're just applying for tough jobs, so don't be so hard on yourself—it's very tough.

I want to ask a few questions about the commission. There have been a lot of reports done on the commission; I just didn't know if you were that familiar with them. Also, do you have any comments about where you think the Human Rights Commission should be going, in a general direction?

Ms. Hall: I don't have detailed knowledge. Since I became interested in this position, I've spent a lot of time looking at their Web site. But beyond that and what I've read in the newspaper and occasional anecdotal reports from people, I don't have a detailed knowledge. I think I'm somebody who often goes in with an open mind and listens and learns before determining what the issues and problems are. In a very general way, probably an issue since the beginning of the commission has been how quickly complaints progress through. I know that has been an issue. I know a lot of work has been done on it. My sense from looking at the Web site is that improvements have been made, but it's an issue that must always be addressed on an ongoing basis.

Another issue is the area of public education. I think that's important. Since I was notified that my name was going forward, I've been watching with horror but interest what's been happening in France. I think that underlines for all of us that in complex, diverse societies, you can never be complacent. Public education's an important piece of that, as is enforcement when people break human rights laws.

1030

I think those are two areas that need work and will always need work, but I suspect there are others that, if we could talk six months from now, I would have a lot more information on.

Ms. Scott: When you brought up public education and the turmoil that's going on in France—I don't know this answer and I don't know if you do. What role and how much educational influence does the Human Rights Commission have? How can they increase public education?

Ms. Hall: One of my particular strengths is that I have relationships with many people in diverse communities. We're not necessarily talking about commission-led programs of public education, but it's about creating the partnerships, encouraging community groups, faith groups, business groups and other groups to understand the issues and create a climate of equality and human rights within the places where they function.

Ms. Scott: It's my understanding that the Human Rights Commission has the ability to respond to complaints, but it also has the authority to initiate complaints. Do you see the commission exercising that right more frequently during your term as chair?

Ms. Hall: That would be one of those issues I'd want to sit down and talk with others about, both at the commission and on the commission, as well as in various communities. Clearly, individual complaints are important, but if individual complaints are showing something that's widespread, something that's systemic, then everyone may be better served by the commission. But I would be one person on a commission of people with much experience, and rather than prejudging, I would see that as the kind of question I would be asking frequently in my early learning period with the commission.

Ms. Scott: The commission deals with straightforward situations of discrimination but also deals with situations

of constructive discrimination. Can you share with us your understanding of constructive discrimination, any example that you could think of where you've come across it? And I don't know the answer to that either.

Ms. Hall: If a person is in a wheelchair, for example, the fact that there are steps to a workplace—there may be a historic reason that there are steps in a building and no ramp, and the design of the building has nothing to do with keeping people in wheelchairs out, but the impact of that is to keep them out. So it's something the impact of which discriminates.

I know when I was at city council, there were issues around the fire service, where some of the height and weight restrictions had an impact on women, as well as people from some backgrounds who tended to be smaller. Those height and weight restrictions kept them from being eligible. What we, as the city, did was examine those and determine what was required to do the position. In the past, people had been big and strong, and those requirements were changed.

Ms. Scott: Those are all the questions I have. Thank you very much for coming here today and your interest.

The Chair: Thank you, Ms. Scott. Ms. Horwath?

Ms. Horwath: I'm wondering if I missed it, and if I did, I apologize, because I was kind of chuckling before. How did you find out about the position?

Ms. Hall: First, I saw the ad in the Globe and Mail. At a community event—I don't even remember what it was—I bumped into the Attorney General. We were chatting about life after politics, and he asked me if I would consider putting in an application for the position. I thought more about it, and I did. I received a call that I would be interviewed, and I was, I believe, by three assistant deputy ministers, who told me they were interviewing a number of people. It was a very formal, two-hour interview, with set questions that they told me I would receive. I went through that process.

Ms. Horwath: I think it's fair to say that when you were running for the mayor's position in the city of Toronto, you had a lot of support from all of the Liberal MPPs, so it's not unusual that you would have been approached or that somebody might have twigged to the fact that this might be a position for you. How would you describe your relationship right now with the current government?

Ms. Hall: As you say, I have a number of friends in elected positions in the government, as I do in your party and the Chair's party—in all of those groups.

I don't belong to a political party. The only party I have ever belonged to was the NDP, in fact. Some time before I ran for mayor the first time, I decided that in terms of the mayor's position, I wanted to represent all the people of Toronto and I wasn't going to do that from a partisan position.

I think I'm somebody who's interested in making things happen, in seeing results, and I work with whomever to make that happen. I've been working at the Ministry of Health, with others in that department, to lead the implementation of what I think are some important

health care changes. I'm not a partisan person; I work with people of like mind on specific issues.

The Chair: May I interrupt for a quick second? Ms. Hall, would you mind moving back a little bit from the microphone? It's fine for us, but I guess Hansard isn't picking it up. Thank you.

Ms. Horwath: In that same vein, though, the past chair of the Human Rights Commission has had occasion to be very critical of this government, of previous governments. If you're confirmed for this position, do you sense that you'll be able, if necessary, to bring that critical voice, that critical eye, if there are things that you think need to be addressed or dealt with by the government? That's something I need to hear from you, whether you think you'll have the ability to keep that critical voice, not in any inappropriate way, but if necessary, considering the relationships you have all the way around, really. Do you still believe you can keep that critical voice, if necessary, in your capacity as chair?

1040

Ms. Hall: I have never been afraid to speak out in support of things that I think need to be spoken out about. Sometimes that has meant being critical of or differing from people with whom I'm friendly. I don't confuse relationship and the causes that to me are important. I don't believe, and it has never been suggested to me, that I would take this position and advocate for a particular government's position. I would see myself as being appointed to have a voice for human rights in the province of Ontario.

Ms. Horwath: That's great.

I wanted particularly to ask about an issue that's been in the news recently, the issue of the Safe Schools Act. There has been some criticism of that by the current commissioner. I'm wondering if you have any comments and what your view is on the Safe Schools Act.

Ms. Hall: I have had concerns about that legislation since it was first introduced. At the time it was introduced, I was head of the federal government's Advisory Committee for a National Strategy on Community Safety and Crime Prevention. I believe we should have zero tolerance for violence, in the sense that any violence must be, should be responded to. But the kind of system in that legislation has the potential to create more violence, as opposed to reducing it. I have heard a lot of anecdotal descriptions of the impact, from teachers, from parents, and from young people themselves. I have long had that position and I think on occasion have probably spoken in the capacity of the national strategy against the legislation. I haven't read, so I don't have the details about, the current challenge, but I think there are problems within the legislation.

Ms. Horwath: All right. That's good.

Those are the major questions I have, Mr. Chairman; I don't have any further questions. I thank you very much for being very blunt about it.

Ms. Hall: Thank you.

The Chair: Ms. Hall, thank you very much. It's good to see you again. Please stick around, if you'd like. We

move to our concurrence votes after our next interview, so in about half an hour's time.

Ms. Hall: Thank you very much.

The Chair: Folks, I do apologize for coming in late. I thank my very capable Vice-Chair, Ms. Horwath, for sitting in.

Ms. Smith: We're just delighted that you made it.

The Chair: You are. Oh, good. I did have a meeting with a minister from Australia, which was very interesting, but you know these minister types tend to run late from time to time on their schedule, so my apologies.

Ms. Smith: You would know.

The Chair: Exactly. But I was always on time when I was in Geraldton, I tell you. I didn't miss the fun.

Thank you again to Ms. Horwath for filling in.

ERIC CUNNINGHAM

Review of intended appointment, selected by third party: Eric Cunningham, intended appointee as member, Royal Botanical Gardens board of directors.

The Chair: Our next interview, making a return trip to the Ontario Legislature, is Mr. Eric Cunningham, a former member back in the day.

Mr. Eric Cunningham: The black-and-white TV era.

The Chair: I don't believe it. In looking at your extensive resume since, you were obviously a boy MPP when first elected. Mr. Cunningham is not laughing at my jokes. He's obviously taking this committee process extremely seriously.

Mr. Cunningham: I'm endeavouring to get organized here, Mr. Chairman.

The Chair: No problem.

Mr. Cunningham is an intended appointee as a member of the Royal Botanical Gardens board of directors. He hails from Burlington, Ontario. As you can see from his background, there's a lot of experience in the Burlington-Hamilton area, particularly at the AGH, among others.

Mr. Cunningham, I think you've seen the routine here. You have time to make a presentation about your background and interest in this position, followed up by questions from all three parties, beginning with the official opposition. Sir, the floor is yours.

Mr. Cunningham: Thank you, Mr. Chairman. I value this opportunity to appear before the standing committee on government agencies with regard to my possible appointment as a member of the board of governors of the Royal Botanical Gardens.

As I believe you all know, the Royal Botanical Gardens, which abuts both Hamilton and Burlington, where I live, is really one of Canada's great natural treasures. Notwithstanding some financial challenges over the past number of years, this internationally recognized urban park and garden is a monument to the foresight of community leaders from many, many years ago. The late George Hendrie's family donated the trails that formed a 122-acre farm in 1932 to the gardens. Mr. Hendrie's predecessors were great Tories, and one of them served very ably in the 1900s here in this Legislature. Without

question, the driving force behind the RBG was the late Thomas B. McQuesten, who represented the riding that I was later honoured to be elected to three times. Mr. McQuesten was the Minister of Public Works in the Hepburn era and provided much of the leadership required to make the RBG happen.

My record of public service, regrettably, will never match that of Mr. McQuesten. But since leaving this place 21 years ago, I have made it my business to volunteer on various not-for-profit organizations. A partial list includes the Metro Toronto YMCA, which is North America's largest; the Canada Safety Council, of which I was vice-chair; the Art Gallery of Hamilton, which has just been wonderfully refurbished; and more recently, on the Banyan Community Services Foundation.

The new RBG board is led by Terry Yates. The board, with Mr. Yates, is well qualified to assist in providing direction to get the RBG back on its feet again. Likewise, the RBG is very fortunate to have a qualified and dedicated workforce, who rely upon the board to make strategic decisions that will enhance membership and maintain a diligent control on expenses, while at the same time building upon the value of the attraction. It would be my pleasure to assist this board in this essential endeavour. The RBG, in my view, is far too important a resource to let drift.

On a personal note, since leaving this place, I've become a keen gardener. My daughter and I have the stewardship mandate to sustain the great Civic-Rose-Award-winning gardens on our property that were created by Dr. Hicks of Burlington many years ago.

I welcome any questions that the members have.

The Chair: Thank you, Mr. Cunningham. We'll begin with the official opposition.

Ms. Scott: Thank you, Mr. Cunningham, for appearing before us here today and your willingness to serve on the Royal Botanical Gardens board. You were a former MPP, for Wentworth North, was it?

Mr. Cunningham: That's right.

Ms. Scott: What years did you serve?

Mr. Cunningham: From 1975 to 1984.

Ms. Scott: That's a great background. You were a Liberal MPP?

Mr. Cunningham: I was, yes.

Ms. Scott: So you're quite aware of the variety of agencies, boards and commissions. Were you waiting to get on the Royal Botanical Gardens specifically, or were you just interested in serving on a board? How did it come about that you wanted to apply?

Mr. Cunningham: I reviewed the tapes that were sent to me by the committee. I see that there are some more lucrative gigs out there, but quite frankly, I have a very strong view about the value of this attraction and what needs to be done in the next three or four years, with staff and the board, to get it back on its feet again. I'm prepared to donate my time, subject of course to your concurrence this morning, to help on that board and to help make that happen.

The RBG was part of my constituency. I am mindful of the history of the development, just a very brief part of

which I shared with you. The development of this great resource has a rich history, and I'm very anxious to assist in any way that I can.

Ms. Scott: I appreciate your background with them and your desire to move it forward. In the news lately, they've had one tragic incident involving a high school student and another with a food-poisoning incident. As a result of those incidents, there were recommendations made. I don't know if you're fully aware of all the recommendations that were made, but do you support implementing the recommended changes?

Mr. Cunningham: I see from media reports that the RBG has concurred with the coroner's inquest on that unfortunate, very tragic incident. My view as a board member is really, where possible, to let staff manage the facility. If you're attracted to the Carver school of governance, the board is there to provide general strategic guidance, not to interfere. My limited knowledge of that tragedy is that it was just that: an accident. It's an aberration in a rich history as a public attraction, and it's quite unfortunate, but I am persuaded that the RBG is taking specific directions to ensure that doesn't happen again.

1050

Ms. Scott: Yes, it was an unfortunate accident. It's just always recommendations that are brought forward to assist the Royal Botanical Gardens in moving forward.

What are your feelings about the current levels of provincial funding for the RBG? Do you feel they're adequate or should the province do more, and how should they do more to assist the RBG?

Mr. Cunningham: My own view is that that's a public policy matter that, frankly, will be decided in this place. Having said that, the province does make a very substantial contribution to the operation of the RBG, and that's been consistent. Over the years, there have been those who suggest that perhaps the RBG should obtain a level of funding commensurate with some of the attractions here in the city of Toronto. Again, that's an argument that I think is going to have to be made in this place.

The essential challenge, I believe, for the RBG going forward—and I did take the time to look at the Grant Thornton report that was prepared for the ministry, the financial review of the RBG—is to get it back into a level of solvency going forward, year by year. As a former business person, I'm quite certain that you would not be attracted to the notion of sustaining year-after-year deficits on anything in the public domain. These deficits, of course, also have demeaned the ability of the RBG to make necessary capital improvements to the infrastructure they already have. In many ways, they're land-rich and cash-poor.

One of the real challenges is to get more people into the place, to make it a year-round, sustainable facility—a large part of what this Grant Thornton report suggests and something with which I concur—perhaps generating enhanced membership. There is a strong membership base, many of whom are neighbours and friends of mine

in Burlington, but also a great many in Hamilton and, surprisingly, even beyond that. So building on that membership base is something that's important for them.

Those things need to be done, frankly, before they come back here and ask for a lot more money.

Ms. Scott: We would certainly like to see the partnerships continue and grow. You've mentioned some of them: by membership. I don't know if there are any other partnerships you were thinking of—

Mr. Cunningham: I would be neglecting my duties as a prospective member if I didn't say that the memberships are available at \$45 for individuals, \$75 for two years, and \$100 for families. I have some forms with me if anybody is interested in joining or rejoining, for that matter.

Ms. Scott: I can see that you will be a very good board member. I have no further questions today. Thank you very much.

Ms. Horwath: Mr. Cunningham, who are you aware of, in terms of friendships or personal relationships with any of the other board members or anybody else who is involved with the gardens? Do you have some existing relationships that you will be able to build on as a board member?

Mr. Cunningham: I think I'm safe in saying I don't know anybody at the staff level. I knew Mr. Yates a number of years ago, I think from business and his public life in the Hamilton area. My councillor in Burlington, Rick Craven—who is doing a great job, I might add—is one of the Burlington representatives. I do know him. Your former colleague Mr. Bruckler I think is a very able representative from the city of Hamilton. I know Dr. George, of course, from McMaster, and McMaster remains very committed to the botanical and scientific aspects of the board. Apart from that, I'm not able to tell you that I know too many, but I look forward to working with them.

Ms. Horwath: Can I ask you if you spoke to Mayor Wade or any of the other committee members who were undertaking the review?

Mr. Cunningham: No.

Ms. Horwath: And you had a chance to look at the report that was generated in that review process?

Mr. Cunningham: I reviewed the report that Mr. Wade and the other gentleman from Burlington did a while ago. I wouldn't say it's top of mind.

Ms. Horwath: Were you aware of any concerns surrounding the prescribed manner in which the ministry participated in that review process?

Mr. Cunningham: I can't recall anything that attracted my attention in that regard. Frankly, the report I found to be a lot more compelling was the Grant Thornton report, which dealt more specifically and directly with the financial difficulties that this organization is experiencing.

Ms. Horwath: I wanted to ask you about some of the recommendations that came out of the ministry's report, actually, because that was the framework for which the garden was given a couple of sets of funding, both the \$1.87 million short-term assistance and the \$3.85 million

that was supposed to be provided to support the restructuring. There are a couple of recommendations that flow from that report that I think it's important to get an understanding of your perspective on as a likely board member after today's proceedings.

You said you're interested in McMaster's role in regard to the horticultural side. The report indicates that the RBG should position itself as a centre of plant and horticulture education, similar to the educational focus of the Ontario Science Centre. Do you think that's an achievable goal, and if so, how do you see that relating, then, to the goal of getting more people to come to the RBG?

Mr. Cunningham: In fact, I think it's a very worthy recommendation. To have a resource as rich as McMaster adjacent to the facility, in fact as a neighbour—it's a resource we should leverage. We should also leverage the wider array of funding opportunities that may come from their specific involvement, as opposed to some of the historic sources of funding that we've seen heretofore. If we can broaden the base of access to funding and make the resource a more holistic resource, that's a very worthy endeavour.

I've looked at the numbers, and frankly, they're disappointing. When you look coldly and soberly at the number of visitors and the amount of money that not only the province puts in but also Hamilton and Burlington taxpayers, it's a lot per capita. I don't know how long that can be sustained without some further introspection.

In that regard, most of the thoughtful recommendations about the RBG, whether they've been in the Grant Thornton report or Mr. Wade's report or those of consultants, have suggested that the place has got to be a year-round facility and that it has to broaden the base of interest, whether through the Christmas facilities—and I know people glued to their TVs watching right now would want to drop by and get decorations and see the decorating ideas, as I did last week—or the horticultural or botanic that you're suggesting through McMaster's involvement. All of that would be very purposeful.

Ms. Horwath: I don't know how much time I have, Mr. Chairman. I have several areas—

The Chair: About another four minutes.

Ms. Horwath: Great. One of the recommendations, which was quite controversial, and you may recall it, was that the board should consider a sale of some lands that might be considered to be superfluous but keep the core lands. Could you comment on that?

Mr. Cunningham: I can. I did read the article in the Hamilton Spectator last year, written by Ms. Fragomeni, wherein it was suggested that unnamed sources suggested that part of the RBG might be for sale. Regrettably, she didn't attribute who those sources were, and consequently, I can't really put much into the suggestion that RBG lands would be sold. They certainly wouldn't be sold by the province of Ontario, because they're not the province of Ontario's to sell. The legal framework that governs the RBG, while it is a provincial statute, does not convey ownership to the province, in the same way that the province does not own the University of Toronto or

McMaster or any of those facilities. I don't see any idea going forward of selling any of the RBG assets. I think that would be extremely ill advised, as Bill Davis would have said way back when. I just think, as my daughter would say, it's so not on.

Ms. Horwath: With the review that took place and the recommendations that flowed from that review, there were also some commitments of funding. At this point in time, the government has not released the \$3.85 million of funding for the RBG to help with its restructuring. My understanding is that that's causing some consternation and some difficulty. I'm wondering if you could comment on that and if, in any way, you see your role as a board member as trying to loosen the purse strings and get the money flowing.

Mr. Cunningham: Well, Ms. Horwath, you know more about that than I do, as of this moment. I have not met with Mr. Yates or anybody on this board or any of the staff, so I'm not mindful of the minutiae of these discussions between the RBG and the province of Ontario. I would make this commitment: Should I be affirmed this morning, I will endeavour to do my utmost to remove whatever impediments we have to ensure that our funding and our entitlements flow as they should. There has been, in my view, too much uncertainty going forward with the RBG. It's not good. It doesn't help with regard to sustaining donations, involvement, membership or anything. I think everybody would agree that the time has come to move forward with this organization, and that's what I want to do as a board member.

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Ms. Horwath: Great. I have one last question, and that is, to what extent do you see more private sector involvement with the RBG to help with revenues and revenue-generating capacity?

Mr. Cunningham: Again, I haven't been on the board. I'm going to be one of I think 16 people, so I guess if we vote on things, I'll have one sixteenth of the input. It's such a wonderful facility that I think there is a real, serious role for strategic alliances with the private sector, perhaps affinity cards. I have my own views that perhaps I should—I don't know whether I should defer them now or get myself into difficulty, but I think it's a facility where we could be broadcasting. Recreational gardening and landscaping is one of the fastest areas of growth in our broad communities. Certainly it is in Burlington. I'm a member of the Grow for Green club at Holland Park on Fairview; they were 25 deep, at five cash registers, on Sunday when I was there for my weekly visit. I just know that people are interested in this, and I think that the RBG can make a wonderful contribution encouraging people. I live in Aldershot, and I never cease to be amazed at the extent to which the people in that community take pride in landscaping and looking after their properties. I think that the RBG can be a wonderful inspiration to people in Burlington, Hamilton and the surrounding district. But to go back to the private sector, yes, I think there's a vital role for the private sector to be involved.

The Chair: Ms. Horwath, thank you very much. To the government side.

Ms. Smith: I would be remiss if I didn't take the opportunity to thank you for being here. As Mr. Cunningham will remember, I was once a page when he was a member, so it's nice to be on a different side of the table. You also served with my dad.

Mr. Cunningham: I would be remiss if I didn't say that when I got here and couldn't find the washroom, your father not only helped me find the washroom but helped me understand part of what this job was all about. For that, I will always be grateful.

Ms. Smith: Thank you for that.

I think your knowledge of gardening and of this particular facility make you eminently qualified for this role. You did mention, when speaking with Ms. Scott, the "lucrative nature of this gig." I just thought that perhaps you'd like to enlighten everyone on the board what the lucrative nature of this gig is.

Mr. Cunningham: I've been charged \$8.25 for parking this morning, and I'd like to know where I submit that. Listen, I'm not advocating a per diem for work on the RBG. I'll get my own rewards in the fullness of time if we can, as a team, pull this organization back to where it used to be. I don't seek any emoluments for this. It's a worthy endeavour.

Ms. Smith: We thank you for that and thank you for your volunteer work. We appreciate your coming forward.

The Chair: Thank you. Any others?

Mr. Cunningham: I thought Mr. Gravelle was going to have a rebuttal.

The Chair: He's preparing it. He's got a big file folder sitting in front of him.

Mr. Michael Gravelle (Thunder Bay–Superior North): I have lots to say. I used to work for him.

Mr. Cunningham: That's not true.

The Chair: Mr. Cunningham, thank you very much for the presentation and your response to the members' questions. It's good to see you again as well.

Mr. Cunningham: Thank you very much to the committee. I have those membership forms here, if people are interested.

The Chair: Folks, we will now move to our concurrence votes in the order that the intended appointees appeared before the committee.

We will now consider the intended appointment of Jennifer Babe, intended appointee as member of the GO Transit board of directors.

Ms. Smith: I move concurrence.

The Chair: Ms. Smith moves concurrence. Any discussion? All those in favour? Any opposed? It is carried. Congratulations to Ms. Babe on the GO Transit board of directors.

We will now consider the intended appointment of Barbara Hall, intended appointee as chair of the Ontario Human Rights Commission.

Ms. Smith: I move concurrence of Barbara Hall.

The Chair: Ms. Smith moves concurrence of Barbara Hall. Is there any discussion? All those in favour? Any

opposed? It is carried. Congratulations and best wishes to Barbara Hall at the Human Rights Commission.

We will now consider the intended appointment of Eric Cunningham, intended appointee as member of the Royal Botanical Gardens board of directors.

Ms. Smith: I move concurrence of Mr. Cunningham.

The Chair: Ms. Smith, on a roll, is risking concurrence once again. Any discussion? All those in favour? Any opposed? It is carried. Mr. Cunningham, congratulations, and all the best at the RBG.

Folks, that concludes our concurrence votes. Is there any other business to discuss?

Interjection.

The Chair: Really? The clerk tells me what may be good news, unless we'd all miss getting together. Seeing no further business, we don't have appointments to call before the committee, and we anticipate our next meeting in two or three weeks' time—up to three weeks' time. There will be notice by the Chair for that, but you can anticipate not meeting next Wednesday or potentially the Wednesday thereafter, unless the situation changes, in which case we will notify the committee members. We now are adjourned until that time. Thank you very much.

The committee adjourned at 1106.

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STANDING COMMITTEE ON GOVERNMENT AGENCIES

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Official Report of Debates (Hansard)

Wednesday 14 December 2005

Journal des débats (Hansard)

Mercredi 14 décembre 2005

**Standing committee on
government agencies**

Intended appointments

**Comité permanent des
organismes gouvernementaux**

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GOVERNMENT AGENCIESCOMITÉ PERMANENT DES
ORGANISMES GOUVERNEMENTAUX

Wednesday 14 December 2005

Mercredi 14 décembre 2005

The committee met at 1107 in room 151.

ELECTION OF VICE-CHAIR

The Chair (Mr. Tim Hudak): Good morning. It's nice to be back. What do we call ourselves again? The standing committee on government agencies is back in session. We do have a number of other matters to consider before our first appointee, so I'm going to proceed.

Most importantly, I announce with great sadness that our hardworking, very capable Vice-Chair, Ms. Horwath, is moving on to another committee. She has been promoted to be the Chair of the committee for private bills and regulations—am I right on the title? I do want to thank Ms. Horwath on behalf of the committee for her outstanding work as the Vice-Chair. We will miss her greatly.

Mr. Ernie Parsons (Prince Edward–Hastings): She chaired the best meetings.

The Chair: There's probably no doubt about it.

We will say for the record that we'd have to downgrade in the third party to Mr. Gilles Bisson. Well, we'll see. I can't actually presume the vote of the committee; I should be careful. Mr. Bisson will be the representative of the third party on the committee henceforth.

It is my duty to call upon members to select a Vice-Chair for the standing committee. Are there any nominations?

Ms. Andrea Horwath (Hamilton East): I'll nominate M. Bisson.

The Chair: M. Gilles Bisson, the member for Timmins–James Bay, who is a new member of our committee, has been nominated to take over the reins and try to fill these shoes of Ms. Horwath's as the Vice-Chair.

Are there any further nominations? Seeing none, I declare the nominations closed and M. Bisson has been elected the Vice-Chair of the standing committee on government agencies. I take back everything I said about him five minutes ago. I know he'll be an excellent Vice-Chair of our standing committee.

Thank you very much, folks.

APPOINTMENT OF SUBCOMMITTEE

The Chair: Our next order of business—again, with Ms. Horwath's departure—is the appointment of a subcommittee. Do I have any motions for the subcommittee?

Mr. Parsons: I move that a subcommittee on committee business be appointed to meet from time to time at the call of the Chair, or at the request of any member thereof, to consider and report to the committee on the business of the committee;

That the subcommittee be composed of the following members: the Chair as Chair, Mr. Tascona, Mr. Parsons, and Mr. Bisson;

That the presence of all members of the subcommittee is necessary to constitute a meeting; and

That substitutions be permitted on subcommittee.

The Chair: Thank you, Mr. Parsons; very well put.

Is there any discussion on the motion for the subcommittee? Seeing none, all in favour? Any opposed? It is carried. Thank you, Mr. Parsons. We now have our new subcommittee for future meetings.

SUBCOMMITTEE REPORTS

The Chair: Our next order of business is the report of the subcommittee on committee business dated Thursday, December 1, 2005. Does somebody move its adoption?

Mr. Parsons: I move adoption, Chair.

The Chair: Mr. Parsons moves its adoption. Is there any discussion? Seeing none, all in favour? Any opposed? It is carried.

Our next order of business is the report of the subcommittee on committee business dated Thursday, December 8, 2005.

Mr. Parsons: I would move adoption.

The Chair: Mr. Parsons moves its adoption. Is there any discussion? Seeing none, all in favour? Any opposed? It is carried. We're on a roll. I guess now I bring up the motion to increase the pay of the Chair and the Vice-Chair.

COMMITTEE BUSINESS

The Chair: Extension of deadlines: Pursuant to standing order 106(e)(11), unanimous consent is required by the committee to extend the 30-day deadline for consideration of the following intended appointees:

Richard Baxter, intended appointee to the Ontario Labour Relations Board, and R. Michael Lauber, intended appointee to the Smart Systems for Health Agency board of directors. Do I have unanimous consent to extend those deadlines to February 24, 2006? Agreed.

That is passed unanimously. Those who are joining us today, we thank you for your patience.

INTENDED APPOINTMENTS

THEO NOEL DE TILLY

Review of intended appointment, selected by official opposition party: Theo Noel de Tilly, intended appointee as member, Smart Systems for Health Agency board of directors.

The Chair: We will now move to the appointments review. Our first of two interviews is with Theo Noel de Tilly. He's an intended appointee as member of the Smart Systems for Health Agency board of directors. He joins us from Hanmer, Ontario, if I remember from the background. Mr. Tilly, welcome to the committee. Please come forward and grab any of those four chairs. One is luckier than the others, so pick the right one. There you go. Is it Noel de Tilly or de Tilly?

Mr. Theo Noel de Tilly: Noel de Tilly is the whole last name.

The Chair: Monsieur Noel de Tilly. Welcome to the committee. You're welcome to make some opening comments about your interest in the position and your background, and then we use a rotation basis from the three parties for any questions they have about your qualifications or your intentions. That questioning will begin with the government, followed by the official opposition and then the third party. So, M. Noel de Tilly, the floor is yours and welcome.

Mr. Noel de Tilly: Good morning, everyone, and thank you for the opportunity to make an opening statement and to answer your questions regarding my intended appointment to the board of directors of the Smart Systems for Health Agency.

My name is Theo Noel de Tilly and I'm a resident of northern Ontario, more specifically Nickel Belt riding. I'd like to take a few minutes, if I may, just to present to you my professional experience that I believe to be relevant to the Smart Systems for Health Agency's mandate.

During the past 20 years, I've worked at promoting, designing and managing supporting information and communication technology networks. In 1985, I started my career as a teleconference coordinator with the Northeastern Ontario Telehealth Network. My experience with the organization allowed me to gain an understanding of the health sector and the challenges of deploying health network technology.

During my employment as a network coordinator and regional technical officer with Contact North, a large pan-northern distance education network, I developed strong network design and human resource management skills. I was responsible for supervising a staff of 20 at a distance and for the management of the distance education technologies located across northeastern Ontario. Working closely with telecom carriers and equipment suppliers allowed me to gain an understanding of net-

work design principles and technology planning procedures.

In 1985, I was seconded to Collège Boréal to help implement its regional distance education network. As their chief technologist, I was responsible for researching, designing and implementing new distance education technologies. I was also responsible for evaluating new telecom equipment and systems, coordinating the activities of the regional technical staff and providing internal and external consultation regarding ICT systems.

In the late 1990s, I started a small telecommunications consulting firm specializing in regional telecom network development and ICT applications. My various projects with clients and stakeholders located across the province allowed me to develop and refine my negotiating skills and to gain an even deeper understanding of the challenges involved in implementing large regional and pan-provincial technology-based initiatives.

For the past five years, I have worked with FedNor, Industry Canada's economic development initiative for northern Ontario. As a telecommunications and community economic development officer, I've had the opportunity to work with a variety of innovative communities and organizations to develop and support advanced ICT initiatives, including geographic information systems, video conference networks, broadband infrastructure projects, municipal and tourism Web portals and several community-based telecom networks.

My work at FedNor has also afforded me the opportunity to work with dozens of health-related ICT projects, including regional PACS initiatives, Telehealth projects, regional health networks and a pan-northern ICT strategic plan for northern Ontario hospitals and health centres.

I've had the good fortune of working on exciting ICT initiatives with very talented and innovative organizations and professionals during my career. I strongly feel that my experience and work ethics will assist the board in meeting its mandate. Again, I thank you for the opportunity to speak to you today and I look forward to answering your questions.

The Chair: Thank you, Mr. Noel de Tilly. We start with the government side.

Mr. Parsons: No questions.

The Chair: No questions from the government members. The official opposition; Ms. Scott.

Ms. Laurie Scott (Haliburton-Victoria-Brock): Thank you, Mr. Noel de Tilly, for coming all this way. I hope you came in last night and not in this morning's snowstorm.

Mr. Noel de Tilly: I did, yes.

Ms. Scott: OK, this is good. You have a very interesting background for this. We need to progress in e-health at a faster rate than we are progressing with it. You mentioned broadband. I represent the rural riding of Haliburton-Victoria-Brock and I have met, specifically, the Haliburton and Lindsay health services. Haliburton county is trying to put broadband in. They're having difficulty working within the smart systems, because

what they're putting in is more progressive than what's available from the Ministry of Health right at the moment in terms of speed, capacity and—I'm not going to get technical.

Could you comment on whether you feel there should be more flexibility for regions? I feel there can't just be one system; you have to link up, like Lindsay, Cobourg, Haliburton. I guess the information system is similar, but what they're proposing is far more advanced than what the Ministry of Health is letting them do. I don't know if you could comment, maybe from your experience, especially from what you mentioned, about the challenges that are facing my local hospitals in this situation.

Mr. Noel de Tilly: I don't think the situation you're describing is uncommon to other areas in northern Ontario. It's perhaps ironic that some of the more remote areas of the province are pushing the envelope in terms of applications, and by doing that are challenging the broadband infrastructure that's available there. I understand that's an issue probably across the province.

I believe that in order to be as flexible as possible to accommodate those communities, there have to be connectivity standards and bandwidth standards established. It's an issue similar to FedNor, but others—I know the Ministry of Economic Development and Trade and other ministries—are looking at a system of deploying the broadband. They should try to support initiatives that support those types of very advanced broadband applications, like a regional PACS network. I'm assuming you're probably talking about something like digital imaging, which would require a whole lot of bandwidth. The broadband initiatives that are being rolled out across the province should consider those applications when funding them. Beyond that, I'm not sure if I understood your question correctly.

Ms. Scott: I don't know how much information you were given about the board, and I know there's a learning curve when you first start, and orientation. Do you feel there's going to be flexibility on the Smart Systems board, to look at—

Mr. Noel de Tilly: Alternative ways?

Ms. Scott: Yes.

Mr. Noel de Tilly: I think there already is, to a certain degree, a bit of flexibility there. I think as long as the technical parameters are well established, there can be some flexibility, looking at different carrier services to provide the infrastructure to transmit the images from one place to another. I think Smart Systems for Health has a mandate to develop connectivity standards. I know they're working very hard on security standards, and they've been doing quite a bit of work on that in the last couple of years. I think that's their role with regard to infrastructure, and then whatever carrier or whatever service provider is selected should at least meet those security, confidentiality and transmission standards.

Ms. Scott: Minister Smitherman, on December 6, indicated they were launching an operational review of the Smart Systems for Health. He said that 16 members had been nominated to the board, bringing accountability

and new energy to the governance structure of the agency. Did anyone talk to you before your appointment about this operational review and maybe what their expectations might be?

Mr. Noel de Tilly: No. I've been interested in the Smart Systems for Health for a couple of years now, since I first heard about it. As I mentioned in my opening statement, I've been involved in ICT and networking for health care delivery since 1985. I was always interested in seeing how I could get involved in the process, and this summer I decided to apply on-line. I visited the—I forget the name of it; I think it's called the appointment board secretariat, to see if there were any vacancies on the board or other similar types of initiatives. They were accepting applications, so I submitted it on-line.

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Ms. Scott: Do you know any of the board members right now?

Mr. Noel de Tilly: Yes, I know Richard Pentney from Whitefish; he's from northern Ontario.

Ms. Scott: Minister Smitherman also made reference in the newspaper interview that he would be sending a clear set of expectations about what he wants board members to focus on. Have you heard from this individual you know if that letter has been sent out to them?

Mr. Noel de Tilly: No. I haven't talked to him about Smart Systems for Health.

Ms. Scott: I guess one of my other questions goes to the political side. We've covered the technical base and now we can get back to the political base. Have you ever been a member of the Liberal Party or donated to the Liberal Party?

Mr. Noel de Tilly: I did donate to Rick Bartolucci's campaign. I was a member of the PC Party, a cardholding member, and I did make a contribution back in the 1990s.

Ms. Scott: Were you ever the Liberal campaign manager in the riding of Sudbury?

Mr. Noel de Tilly: Yes.

Ms. Scott: For Rick Bartolucci?

Mr. Noel de Tilly: Yes.

Ms. Scott: I have no further questions.

Mr. Joseph N. Tascona (Barrie-Simcoe-Bradford): What involvement have you had with Mr. Bartolucci or Mr. Smitherman with respect to this appointment?

Mr. Noel de Tilly: The only involvement I've had politically was running his campaign in the last election.

Mr. Tascona: So how did you hear about this appointment?

Mr. Noel de Tilly: I was surfing the Net. I was looking to see if there were any appointments, and they were looking for nominations and I applied on-line.

Mr. Tascona: Did you speak to Mr. Bartolucci or Mr. Smitherman after you applied?

Mr. Noel de Tilly: I don't know Mr. Smitherman, but I spoke to Mr. Bartolucci a couple of months ago and mentioned that I had applied, and he wished me good luck. That was it.

Mr. Tascona: Thank you.

The Chair: To the third party; Ms. Horwath.

Ms. Horwath: Mr. Noel de Tilly, can you tell me what you think the biggest challenges are that are facing successful implementation of the Smart Systems for Health?

Mr. Noel de Tilly: I think there are probably a few challenges that are being taken care of and met head on, one of which M^{me}. Scott alluded to earlier: the allocation of bandwidth and availability of bandwidth. I think it's not uncommon, though, given the magnitude of the project and the fact that sometimes end users are ahead of the curve in terms of the application, and sometimes the available infrastructure has to catch up. I think that's an issue that's going to have to be grappled with on an ongoing basis.

I understand there may be some challenges with regard to quality of service of the infrastructure. So allocating a specific amount of bandwidth for specific mission critical applications like emergency health care needs to be looked at and perhaps tweaked a little bit. I don't have in-depth knowledge of what those challenges are, but I understand anecdotally that's been a challenge. I think those are the two that I see. Oh, and I understand that they've addressed the privacy issue and have done quite a bit of work on the security issues. I understand they've addressed or implemented a very sophisticated security system with two data centres physically separate from each other and backing up the data from both centres, which is critical to ensuring the integrity of data and the security of data. But apart from that, I'm not aware of any major issues.

Ms. Horwath: OK. It's interesting that you mentioned in your remarks that it's not, from your perspective or from what's happening in other communities, I would imagine, or other systems, other states or provinces, what have you—you said it was not unusual that there would be problems in the start-up of a system of this nature. Are you aware of the studies that were published in the British Medical Journal around, for example, the Kaiser system in California and any of the information that has come out of those studies?

Mr. Noel de Tilly: I'm afraid I'm not.

Ms. Horwath: Interestingly enough, a lot of what appears to be some of the problems that are happening here were happening in these other locations as well, and in some of these articles there's an indication that there is a transient climate of conflict that was associated with the adoption of systems. I think, considering what Ms. Scott had to say around some of the tensions that occur, and I think you've reiterated that, that might be what's reflecting upon the government's inability to get these things up and running and fully supported.

Mr. Noel de Tilly: If I can just add a comment to that: Along with the comment about the challenges with infrastructure, comments were also made that the follow-up in the resolution of those problems was done fairly quickly. I can only speak a little bit more intimately about what's happening in northern Ontario, but I know that some of the regional networks have pushed the envelope quite a bit, out of need.

As I mentioned earlier, ironically, some of the more geographically dispersed communities are the ones that challenge the infrastructure. Their applications were quite robust, but the reaction from Smart Systems for Health was quite timely in terms of upping the bandwidth allocation or tweaking the quality-of-service parameters to allow them to do their business. That's why they've been able to continue to move forward over the last year or so.

So those challenges are being identified, but I do believe they're being addressed rather quickly as well.

Ms. Horwath: Just to switch tracks a little bit, I'm wondering what was involved in the work that you did as a member of the information and communications technology blueprint working group that assisted the northeast LHIN and the integration—

Mr. Noel de Tilly: I wish I could take credit for that, but I really was just a project officer on that who helped support—as you may know, FedNor provides contributions to projects like the ones I listed, and that one as well. It really was something that was spearheaded originally by the Sudbury Regional Hospital, but at the time was taken over by the three district health councils in northern Ontario, as it was their mandate to do that kind of study. They requested assistance from us to help support that.

I worked with them through the development of the terms of reference of that study and ensured that deliverables were met. But basically, what they did was map out an ICT blueprint for all of the health care providers in northern Ontario: I believe there were 68 organizations involved in bringing forward their information. They've agreed on about 14 principles of approach that they would respect when moving forward with ICT.

A study like this, from my understanding, is unprecedented. It's never been done in the province, and I don't think it has been done—we spoke with the folks at Canada Health Infoway with Health Canada, and they've never seen a study of this level done anywhere in Canada. I think it bodes well. It's consistent, they've done it in consultation with the folks with Smart Systems for Health and the Ministry of Health and Long-Term Care, so I think their findings and conclusions connect well to the provincial objectives.

Ms. Horwath: Excellent. How much time do I have left, Mr. Chairman?

The Chair: Three minutes.

Ms. Horwath: Getting back into Smart Systems for Health, have you had a chance to familiarize yourself with the structure and are you able to comment on how workable you think the structure is?

Mr. Noel de Tilly: Are you speaking of the technology structure or the human resource and board structure?

Ms. Horwath: The governance, I would think.

Mr. Noel de Tilly: I'm not all that clear on the governance yet. I have looked at the makeup of it; I don't know the backgrounds of the individuals on the board. Hopefully my skill sets will be complementary to

theirs—I don't expect they're very different—and I'm hoping that the individuals involved will have skills that I don't have and vice versa. I believe that the board structure is representative of that; geographically, as well, from what I can tell.

In terms of the operational structure and the staffing, I'm not familiar with the details of that. I do know that they have been hiring quite a few folks in the area of security, IT specialization and field officers, but I don't have a really good grasp on the breakdown yet.

Ms. Horwath: That's fair. Can I just ask you one final question, which is what your knowledge is about the level of participation of the Ontario Medical Association in the Smart Systems project.

Mr. Noel de Tilly: I'm not sure what the level of participation is, although I do know that Smart Systems for Health supports a number of initiatives under the e-health umbrella, about seven or eight of them, if I remember correctly. I think that is and should continue to be Smart Systems for Health's mandate, to help all programming activity in northern Ontario that's related to health care, but I'm not familiar with the OMA's role.

The Chair: Mr. Noel de Tilly, thank you very much. The interview is now concluded. We have one more to do, and then we move to our concurrence votes on your intended appointment. You're welcome to stay, and that will probably take place in about 20 minutes to half an hour.

1130

ANDREW DIAMOND

Review of intended appointment, selected by official opposition party: Andrew Diamond, intended appointee as vice-chair, Licence Appeal Tribunal.

The Chair: Our next intended appointee is Andrew Diamond. Mr. Diamond hails from Toronto, Ontario. He's the intended appointee as vice-chair of the Licence Appeal Tribunal, aka LAT. I have some affection for LAT, as a former minister for that area. It has various and sundry acts that fall under it. So it's very interesting to have a LAT intended appointee here before us to talk more about the under-appreciated work that happens at LAT.

Mr. Diamond, you're welcome to make an initial presentation on your background and interest in this position, and then we'll begin any questioning with the official opposition. Mr. Diamond, the floor is yours.

Mr. Andrew Diamond: Thank you, Mr. Chairman and members of the committee. I actually wanted to make my opening comments and break them down into two parts, because I may be in the slightly unusual position of having been a member of LAT since the spring, and give you both some insight into my qualifications and then into the work of the tribunal, which I do agree is under-appreciated.

I was called to the bar in Ontario in 1991. I practised with two of the leading corporate commercial law firms in Toronto and was involved in some of the most

complex pieces of litigation in the province, including the CCAA and bankruptcy of Confederation Life, and the CCAA and bankruptcy of SkyDome, where I represented the province of Ontario as the second secured creditor.

I've also been involved in other numerous complex litigation matters. In addition to appearing before all levels of courts in the province, I have appeared before a large number of the boards and tribunals in the province, including the Ontario Municipal Board, the Ontario labour board, the liquor licensing board, the Assessment Review Board, and the Ontario Energy Board. So I have an in-depth knowledge of both civil practice and administrative law. I believe it is that experience over 10 years which qualifies me to sit as a vice-chair of the Licence Appeal Tribunal.

I have been raised in a family which prides itself on public service. My father has had the honour of sitting on the Ontario Human Rights Commission, the board of directors of Ontario Place and the Golden commission for the GTA. Not to be outdone, my mother is a lay benchner for the Law Society of Upper Canada. Of my parents' four appointments, at least one has come from the government of each major party sitting in this room today. I, in turn, have been on the board of directors of a charity for individuals with disabilities. I volunteer at my children's school and have assisted with their hockey programs.

I have recently had more time available. So in the spring, I too, like the previous intended appointee, was directed to the Web site for the Public Appointments Secretariat, and I used the on-line facility to apply for a number of apparent vacancies in which I was interested and where I thought my skills would add value. In the spring, I was contacted by the chair of the Licence Appeal Tribunal and asked if I would be interested in sitting as a vice-chair. I indicated I would. We had a brief conversation about the responsibilities and time commitments. Then I went through the process of training and have been sitting since the summer.

As I say, it was my understanding and his understanding and the registrar's understanding that I was appointed then as a vice-chair. It was later brought to the registrar's attention, I think through the payroll department, that in fact I wasn't and that the per diem should be reduced. That resulted, in turn, with letters being written to amend the appointment, which is what brings me here today.

The question may be, "So what?"—the difference between a member and a vice-chair. That's why I'd like to give you a little more background about the workings of the Licence Appeal Tribunal. I know you have a research memo before you which outlines the general work, but I think you need to understand how the work of the tribunal is broken down.

As you've seen from the statistics, the tribunal hears between 600 and 700 appeals a year, which result in slightly under 1,000 hearing days being scheduled. That's the big picture. The smaller picture is, because the tribunal is a result of the amalgamation of several tri-

bunals under the streamlining efforts of the previous government, the work can be divided in half, and then each one of those halves, in turn, in half again.

The first half is under the Highway Traffic Act, dealing with what most people think of as licences, when you think of a licence, and that in turn is divided in two. Half of that is medical suspensions. Those are people who are applying to be reinstated because—an easy example, I've been told, is an epileptic who has their condition under control, and they and their doctors believe that they do not pose a risk. Those appeals are made to the tribunal, and similarly, people who've had their licence suspended for failure to give either blood or breath samples because of medical reasons. Those matters are only heard by doctors, as is required by the act, and those doctors sit as members and they receive a per diem of \$450. I'm told there is no difficulty in attracting members of the medical profession to sit on those.

The next half of the Highway Traffic Act issues is administrative suspensions and the impoundment of vehicles. I have not sat on any of those, but I am told that those matters are relatively straightforward. The hearings are quite short, where three or four can be done in a day, the decisions are yes or no, and the written reasons are based on a pro forma standard form that the member uses. Because those matters are relatively routine, though obviously not for the person who is seeking their car back or their licence reinstated, they are heard by the general members of the committee, or, without any sense of the pejorative, the lay members—people who aren't doctors or lawyers. So that is the one half of the Highway Traffic Act and counts for half of the volume that significantly rests on half of the hearing days.

The second half of the business is divided in two. The first half deals with appeals from the Ontario New Home Warranty Program, now administered by Tarion. Those appeals arise when a purchaser of a new home has problems with their home that they think should be covered under the Ontario New Home Warranty Program, the Ontario New Home Warranty Program inspects and cannot reach conciliation with the builder and then denies the warranty claim. The homeowner then has the right to appeal to the tribunal.

The second half of the appeals on that side of the tribunal are what I refer to as the business licence cases, those people under the 20 acts who are regulated by registrars. The examples we're all most familiar with are real estate agents and real estate brokers, car dealers and salespeople, and travel agents. Then we get into some more obscure ones like undertakers and cemetery operators. There is a long list, which is before you.

Perhaps I can give you an example of what I've done and how complex and difficult these cases are. I have just finished a two-day hearing in a Tarion matter, where the allegation is that the person's house was not built in conformity with the Ontario building code. After two days of hearings, both lay witnesses and expert witnesses, I now have to interpret the Ontario building code. I am reviewing a case brief from counsel for Tarion. I

have approximately 10 cases. Also, because in many of these cases the applicants are unrepresented, I feel it necessary to undertake independent legal research on their behalf or on behalf of their case because they were not capable of doing so. My reasons in this case have now reached some 20 pages and have taken me over three days to research and draft after two days of hearings.

Similarly, I'm in the middle of a hearing with respect to, again, Tarion, but this is on the other side, where the registrar, or Tarion, has decided not to grant the renewal of a builder's licence. At stake for this person is their livelihood, their company. I now have to grapple with whether or not this person should have their licence reinstated. To do that, I have reviewed balance sheets, security, as well as technical issues with respect to the ability of their construction.

One of the questions raised, to anticipate the research memo, is with respect to the staffing of the tribunal. This 50%, the business licence matters and the Tarion matters, is only heard by vice-chairs. It is the rule, as I understand, of the tribunal that you have to be a lawyer to be a vice-chair, due to the complex nature of these matters and the serious matters being dealt with, both in dollar terms and in people's livelihoods.

The tribunal has 15 vice-chairs that are listed, though I'm told by the registrar that this number is misleading. Two of those vice-chairs are in Ottawa and tend to only handle matters in Ottawa. Four of the vice-chairs, while appointed, are rarely available. Two of the vice-chairs who have busy legal practices have indicated that they are only prepared to sit one day per month, which then eliminates them from multi-day hearings. Most of these Tarion hearings are two and three days. The daycare hearings are multi-day, some of them going on for weeks. Then we have other vice-chairs who also would like to limit the number of days they sit because they have other practices. That leaves four or five vice-chairs who are carrying on the vast bulk of this complex work. Really, for several of them, it is a full-time job. They are there most days—if not hearing, writing—all for a stipend of \$220 a day.

Those are my introductory remarks. I had hoped to anticipate some of the questions raised in the research memo. Obviously, I'm happy to answer any questions you may have.

1140

The Chair: Thank you, Mr. Diamond, for your opening presentation. As I said, I'll begin any questions with the official opposition.

Mr. Tascona: It's my pleasure to have you here today, sir. I just want to ask you right up top, are you related in any way to Stephen Diamond, who's a well-known condo lawyer here in Toronto and a Liberal fundraiser?

Mr. Diamond: No. I've known Stephen a long time. As I say, his father's the developer and mine's the architect, so we know each other, but are not related.

Mr. Tascona: So how long have you known him?

Mr. Diamond: I've known Stephen 20 years probably, but not well. Our children have been to school together in the past, but aren't currently at school together. We have children of the same age. We see each other in the hockey rink occasionally.

Mr. Tascona: Are you currently a member of the Liberal Party?

Mr. Diamond: I am not.

Mr. Tascona: Have you donated to the Liberal Party?

Mr. Diamond: I have donated to the campaign of Dr. Shafiq Qaadri, who was a high school classmate of mine.

Mr. Tascona: Is he the MPP for Etobicoke North?

Mr. Diamond: He is, and I see him occasionally socially. I believe that I have also donated, or my partner has donated, to the leadership campaign of John Tory, who's also someone I've known since—I articulated for him at Torys and have known him a long time as well.

Mr. Tascona: OK. I didn't see here where you articulated.

Mr. Diamond: No. I articulated at Torys, and all the Torys were there at that time.

Mr. Tascona: I noticed you were with Blakes for 1991-97 and onwards.

Mr. Diamond: And then Osler.

Mr. Tascona: But you're currently an independent consultant with projects to both private clients and governments, including issues of corporate governance etc. What governments are you—

Mr. Diamond: I think that was referring to—I don't have any government clients. Actually, that's not true. I had a government client, and the government I'm referring to there is the government of St. Vincent and the Grenadines, where I was involved in assisting in producing a business plan as to whether or not the government of St. Vincent and the Grenadines could afford to construct an international jet port. Currently, they do not have a runway that can handle aircraft from North America and are left using gateways like Barbados and St. Lucia. They were examining whether or not they could afford to build an international airport.

Mr. Tascona: Are you currently consulting for the provincial Liberal government?

Mr. Diamond: I have never consulted for the provincial government. My only retainer by a provincial government was when I was at Osler, and that was on the SkyDome case.

Mr. Tascona: With respect to this appointment, you initially were a part-time member, and now you're going to become a part-time vice-chair.

Mr. Diamond: Yes.

Mr. Tascona: What do you get paid as part-time vice-chair?

Mr. Diamond: Two hundred and twenty dollars a day.

Mr. Tascona: OK. Is that for a hearing day?

Mr. Diamond: That's for a hearing day.

Mr. Tascona: What about the research? You were mentioning research you were doing.

Mr. Diamond: The general rule of thumb is that you are entitled to one writing day per case. If you're going to

go over one day, you need permission or leave of the chair.

Mr. Tascona: Who's the chair right now?

Mr. Diamond: Carl Dombek.

Mr. Tascona: What's the term of this appointment?

Mr. Diamond: Three years.

Mr. Tascona: Did they ask you to become the vice-chair? Did you ask for it? How did it come about?

Mr. Diamond: As I say, the division of the work is that these highly complex matters are heard only by lawyers, and it has been the practice of the tribunal, as I understand it, that all lawyers who are appointed are appointed as vice-chairs. It was initially the board's understanding that my initial appointment was to be as a vice-chair, and no one is quite sure where the change or switch occurred, but as soon as it was realized that I had not been appointed as a vice-chair the chairman wrote to the Public Appointments Secretariat, as I understand it, to attempt to rectify—

Mr. Tascona: I noticed you looked for a lot of different agencies. You had quite a few different agencies you were looking for and—

Mr. Diamond: As I said, I was looking for an opportunity in public service and went through their list on the Web site; then they approached me. I knew very little about the tribunal before—

Mr. Tascona: Who approached you about the licence tribunal?

Mr. Diamond: The chair.

Mr. Tascona: The chair approached you.

Mr. Diamond: Yes.

Mr. Tascona: Did you know the chair before?

Mr. Diamond: Never met him before.

Mr. Tascona: Did he say why he approached you?

Mr. Diamond: He said that my resumé had been sent to him by the Public Appointments Secretariat, that he was looking for vice-chairs because of the workload and the few vice-chairs he had to do this work, as I described, and that my experience as a litigator was what he was looking for.

Mr. Tascona: OK. Did you speak to the MPP for Etobicoke North about this appointment?

Mr. Diamond: I've spoken to his office since I was appointed and it was discovered I was appointed as a member and left a message about the attempts to have the appointment reassigned as a vice-chair. Actually, I haven't spoken to him personally about that. Before the appointment, he was one of the people who directed me to the Web site to look for various appointments that I might be interested in. So I didn't speak to him specifically about this appointment before it happened, either as a member—and, as I said, only as a vice-chair did I leave a message with his office to tell him what was happening.

Mr. Tascona: Did you work on his campaign at all?

Mr. Diamond: No.

Mr. Tascona: Did you speak to Steve Diamond about these appointments?

Mr. Diamond: No, I didn't. I gather he has recently received an appointment, but I've only just discovered that in the last day or so.

Mr. Tascona: Are you familiar with the new initiative that the Ministry of Government Services is undertaking on the Liquor Licence Act?

Mr. Diamond: I am not, no.

Mr. Tascona: They sent out a press release on December 1, 2005, saying, "Liquor Licence Act consultations to focus on safety, service, choice." It was put out on their Web site in a press release. So you're not familiar with that?

Mr. Diamond: The liquor licensing board? No.

Mr. Tascona: No, the Liquor Licence Act.

Mr. Diamond: No.

Mr. Tascona: You haven't been made aware of that?

Mr. Diamond: No. Are those appeals now to come to the Licence Appeal Tribunal? The last two acts that I know the Licence Appeal Tribunal now has appeal responsibility for are under the new building code requirements and under the Ontario Film Review Board. People dealing with the building code in the province, from building inspectors to design-build contractors, architects and engineers, have to now pass an exam with respect to the building code and be licensed to provide advice with respect to the building code. Similar to other professional licences in the province, if they appeal the disciplinary action taken by the registrar, those appeals will be coming to the tribunal.

Mr. Tascona: In terms of caseload, what is the greatest percentage of cases that come through the statutes that are mentioned?

Mr. Diamond: I actually have the specific numbers here. If you give me a minute, I can pull them up. It's approximately 50% under the Highway Traffic Act, and then the other 50% is divided—let's see. It may be in the briefing memo as well. Here we go: Motor Vehicle Dealers Act, 18%; the Ontario New Home Warranty Program, 25%, which is with respect to the houses; Ontario new home warranty plan registration, which is registration and deregistration of builders, 5%; motor vehicle impound, 16%; Highway Traffic Act medicals, 19%; and then the bulk of it is 1% and 2% from the various other acts, although I am told by the registrar currently there is a cemetery—I don't remember the name of it. There is a proposed closing which then gives the right to appeal to anyone with a vested interest. So we're now talking about another potential—I think it's 160 appeals on that one particular closing under the Cemeteries Act.

1150

Mr. Tascona: OK. Thanks very much.

The Chair: For the third party, Ms. Horwath.

Ms. Horwath: I have to say that I really don't have very many questions because I think you did a very thorough job explaining your experience and your perspectives on this particular body, the Licence Appeal Tribunal. But I was curious around the comments you were making about the challenges with the vice-chairs

and attempting to slot the vice-chairs for the more complex hearings. What briefing note do you have? We have one that doesn't have really nice coloured charts and photographs.

Mr. Diamond: Oh, no, the nice coloured charts come out of the annual report from the tribunal.

Ms. Horwath: I was just curious. OK, thank you.

One of the things that our research people came up with was a similar concern around the vice-chairs, particularly the expectation that about 15 vice-chairs and 30 of the 41 part-time members are due to expire in the first half of next year. I was wondering if you could comment on that from two perspectives. One is your experience as a fairly new member—you have been a member for about five months or so; just as a member—

Mr. Diamond: Yes.

Ms. Horwath: —the length of time it takes to get up to speed to be prepared to take on these hearings; then, secondly, any advice you would give to ensure that we have a full operating slate of vice-chairs who are able to divvy up the caseload in an appropriate way.

Mr. Diamond: As I say, while I was appointed as a member, I have been conducting the functions that are normally reserved for vice-chairs in hearing complex matters.

The registrar tells me that she has no particular concerns with the ability to attract members to sit on the less complex. She has a large slate and, while a number of them are up for renewal, many of those people want renewal and they are constantly being approached for new appointments. So that's not a difficulty.

The difficulty is with respect to the vice-chairs. Right now, while the turnaround times are impressive and the work that these people are putting in is impressive, it really is being held together by five key vice-chairs, most of whom are retired civil litigators, as they call themselves. They are old trial hacks who are doing this partly for public service and partly because it's just something to do on a part-time basis in their retirement.

The fear—I sit there as perhaps one of the youngest vice-chairs, if not the youngest vice-chair—is that these people on any given day may not feel like doing it and, when they decide that they no longer wish to do it, how do you attract people of sufficient quality and calibre? As I said in my opening remarks, I think that's incredibly important, because we are dealing with are people's houses—their largest investments—and people's livelihoods.

Not to sound self-serving, but the reason two of the vice-chairs have said they're only prepared to take one day a month is because they have busy legal practices where they can make a lot more money than \$225 a day. It is my understanding that the labour board ran into the same issue, needing technical experts to deal as vice-chairs.

Candidly, the way to ensure that you will continue to attract quality people is to take a per diem that was fixed in 1985, when my guess is a senior counsel was earning somewhere around \$220 an hour, and move that up to a

point where a senior counsel these days is making between \$500 and \$600 an hour. There's some nice symmetry there. The labour board vice-chairs are making \$550 a day. Doctors on this tribunal are making \$450 a day and there doesn't seem to be any difficulty in attracting them.

Candidly, right now you're relying on truly the goodwill of people who believe in public service, who have time, who have the skill. I don't think you can count on that. Maybe the government and the appointments secretariat know they can; I just don't. But I would have thought, to have some comfort that these cases can continue to be served—I mean, you can see from the statistics. Our turnaround times, while some of the best, but I'm told, in the tribunal world—around four months—are continuing to creep up as the matters become more complex, as the volume increases and the number of chairs doesn't, and/or as the chairs and vice-chairs you have say they want to do less and less. I'm saying it in a number of different ways, but the way to ensure it is not to pay market, because clearly it is public service, but to recognize the experience you really require to do this job and at least give some sense of understanding of that through the stipend.

Ms. Horwath: Thanks very much, Mr. Chair. Those were my questions.

The Chair: Thank you very much, Mr. Diamond. Your initial presentation was just more than 10 minutes long, which takes away the government's time, according to the procedures of the committee, so we don't have time for any questions from the government side. Mr. Diamond, thank you very much for your comprehensive presentation and response to members' questions.

We'll now move on to the concurrence votes. We will do that in the order of the presentations.

We now consider the intended appointment of Theo Noel de Tilly, the intended appointee as member of Smart Systems for Health Agency board of directors.

Mr. Parsons: I move concurrence.

The Chair: Mr. Parsons moves concurrence. Is there any discussion? Seeing no discussion, all those in favour? Any opposed? It is carried. Congratulations, Mr. Noel de Tilly. All the best on the new appointment.

We will now consider the intended appointment of Andrew Diamond, the intended appointee as vice-chair of the Licence Appeal Tribunal, LAT.

Mr. Parsons: I move concurrence.

The Chair: Mr. Parsons moves concurrence. Is there any discussion?

Ms. Horwath: On my last day with this committee, although I'm sure I'll be helping Mr. Bisson as time goes on, I wanted to take the time to acknowledge that although there are times when we sit at this committee and are a little concerned about the qualifications of some appointees and fear sometimes that these are simply political appointments, notwithstanding the fact that both of these appointees indicated some relationship with the Liberal government that's appointing them, in both cases I think it's fair to say that they are extremely well qualified and will do a good job on these committees. I'm pleased to be able to have voted in favour of the first one and will do so again with the second appointee.

The Chair: Any further comment?

Mr. Tascona: I'd just like to thank Ms. Horwath for her time on the committee. She's going to be missed. I just wanted to say that, Mr. Chairman.

The Chair: Agreed. Thank you, Mr. Tascona. I think we have unanimous support in wishing Ms. Horwath all the best on her new committee and thanking her for her work as the Vice-Chair and member of our standing committee.

I feel like we're getting a little bit off topic. Any further discussion on Mr. Diamond's intended appointment? Seeing no more, all in favour? Any opposed? Very good. Mr. Diamond, congratulations and all the best now as a vice-chair of LAT.

I want to let members know that with the extension of the certificate for those two individuals earlier on in the day, that means we currently have no backlog. We'll see if other certificates come forward, either this week or in early January. The next meeting of the subcommittee or the committee will be at the call of the Chair. We are returning into session, if all goes as planned, on February 13, which would mean we could expect the next meeting of this committee to be on Wednesday, February 15. Unless you hear from me otherwise, that's how we will proceed.

I think that is it for the Chair's comments. Is there any other business? Then this meeting is adjourned.

The committee adjourned at 1159.

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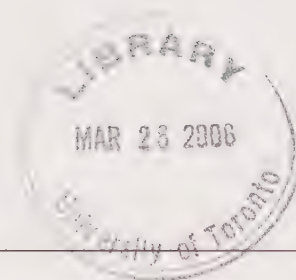
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Deuxième session, 38^e législature

Official Report of Debates (Hansard)

Wednesday 15 February 2006

Journal des débats (Hansard)

Mercredi 15 février 2006

**Standing committee on
government agencies**

Intended appointments

**Comité permanent des
organismes gouvernementaux**

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
GOVERNMENT AGENCIES

Wednesday 15 February 2006

The committee met at 1003 in committee room 151.

SUBCOMMITTEE REPORTS

The Chair (Mr. Tim Hudak): I'd like to call into session the standing committee on government agencies for our meeting of Wednesday, February 15, 2006. Everybody, welcome back. Happy New Year. It's good to see the bright, shiny faces back in the Amethyst Room.

We have a number of subcommittee reports to move before we move to our first intended appointee, so I'll just proceed. Our first order of business is the report of the subcommittee on committee business dated Thursday, December 15, 2005.

Mr. Ernie Parsons (Prince Edward-Hastings): I would move acceptance.

The Chair: Mr. Parsons moves its adoption. Is there any discussion on that report? I'll pose the question: All those in favour?

You'll need more than that.

Mr. Parsons: Vote with me, guys.

The Chair: Any opposed? That was the controversial December 15 report, eh? You want to stay out of that issue.

Mr. Parsons: We're a little rusty.

The Chair: Our next order of business is the report of the subcommittee on committee business dated Thursday, December 22, 2005.

Mr. Parsons: I move adoption.

The Chair: Mr. Parsons moves its adoption. Is there any discussion on this? Seeing none, all those in favour? Any opposed? Great. It is carried.

Our next order of business is the report of the subcommittee on committee business dated Thursday, January 26, 2006.

Mr. Parsons: I move adoption.

The Chair: Mr. Parsons, on a roll, moves its adoption. Is there any discussion? Seeing none, I'll put the question: All those in favour of its adoption? Any opposed? Carried.

Our next order of business is the report of the subcommittee on committee business, dated Thursday, February 9, 2006.

Mr. Parsons: And I move adoption.

The Chair: Mr. Parsons moves its adoption. Is there any discussion? Seeing none, all of those in favour? Any opposed? It is carried.

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES
ORGANISMES GOUVERNEMENTAUX

Mercredi 15 février 2006

COMMITTEE BUSINESS

The Chair: Also a part of routine business, an extension of deadline. Pursuant to standing order 106(e)(11), unanimous consent is required by the committee to extend the 30-day deadline for consideration for the following intended appointee: Susan Weatherby, an intended appointee to the Simcoe county community care access centre. Do I have unanimous consent to extend this deadline to March 19, 2006? All agreed? We have unanimous consent. That is carried.

Folks, I am going to suggest that we defer other business until after our intended interviews.

INTENDED APPOINTMENTS

RICHARD BAXTER

Review of intended appointment, selected by official opposition party: Richard Baxter, intended appointee as member, Ontario Labour Relations Board.

The Chair: We'll proceed with our first interview. It is Richard Baxter, an intended appointee as a member of the Ontario Labour Relations Board. Mr. Baxter joins us from Whitby, Ontario. Welcome, sir. Please grab a seat and make yourself comfortable, if you want a glass of water, etc. As you may know, you're welcome to make an opening presentation about your background and your interest in the position. Then all three parties will have a chance to ask you any questions about your qualifications or your intentions. It's on a rotational basis beginning with the official opposition. Welcome. The floor is yours.

Mr. Richard Baxter: Thank you very much. Good morning. My name is Richard Baxter. I am the business manager of Local 50 of the International Union of Elevator Constructors. I am also the president of the Provincial Building and Construction Trades Council of Ontario. I want to thank the committee for allowing me this opportunity to discuss my candidacy for the position of construction labour sidesperson of the Ontario Labour Relations Board. I would like to begin by giving you a brief outline of my qualifications.

I have been involved in the construction industry since September 1965. At that time, I began my apprenticeship in the elevator industry. By the end of 1970, I became a fully licensed elevator constructor mechanic.

During my career at Local 50, I have served in the following positions: apprentice representative, recording

secretary, financial secretary, vice-president, president, business agent and business manager. In 1974, 1995, 1998, 2001 and 2004, I was part of the employee negotiating team. For the last four instances, I was elected chief negotiator for the province of Ontario. These opportunities have allowed me to understand how a collective agreement is reached and how to interpret the wordings of these agreements.

In order to be a more effective representative for my members, I took a number of seminars and courses, including Advanced Bargaining Skills and Negotiating Strategies for Labour Studies. Courses such as these and the practical experience of negotiating a collective agreement have given me a vast knowledge of the process and intricacies of bargaining.

The statistics from the Ontario Labour Relations Board show that the most common type of case heard from the construction industry involves interpretations of the collective agreements. During my terms as business agent and business manager, I have had the opportunity to appear before the Ontario Labour Relations Board on numerous matters. These would include collective agreement grievances, disciplinary matters, Occupational Health and Safety Act matters and certifications. This has given me knowledge of how the system works, and it has also demonstrated the need to me, personally, for fair and unbiased representation at the OLRB.

One of the most important aspects of serving on the Ontario Labour Relations Board in the capacity that I have applied is to have the confidence of your peers. I am proud to say that my candidacy has been endorsed by both the National Elevator and Escalator Association, which is the employer bargaining agency, and the executive board of the Provincial Building and Construction Trades Council of Ontario.

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As I have stated above, the construction industry must have faith in your ability to give a fair hearing and to make sound, reasoned judgments. I am honoured that those I work with have faith in my ability to serve them fairly.

I thank you for allowing me the time to make this statement to you in support of my candidacy, and I welcome any questions you may have.

The Chair: Mr. Baxter, thank you very much for your opening remarks.

Mr. Baxter: Mr. Chair, I have some letters from the employer endorsing me, if that's necessary.

The Chair: Sure. We'll have the clerk collect those, if members are interested. I appreciate that, Mr. Baxter.

We'll begin any questions with the official opposition.

Mr. Joseph N. Tascona (Barrie-Simcoe-Bradford): I want to start questioning right now, but I may be finished my questions by the time those letters are produced. I'm interested in what they are if they're going to be tabled with the committee.

I want to thank you, Mr. Baxter, for being here in this regard. You certainly come well trained and experienced

in the construction industry. Were you approached about this position, and who was it?

Mr. Baxter: Who was I speaking to?

Mr. Tascona: Yes. Who talked to you about this position?

Mr. Baxter: The job came available through the Provincial Building and Construction Trades Council.

Mr. Tascona: Who did you speak to there?

Mr. Baxter: Mr. Dillon, the business manager.

Mr. Tascona: Do you know who he was speaking to? Because this is a government appointment.

Mr. Baxter: Kevin Whitaker, I would believe, at the OLRB. It was a retirement.

Mr. Tascona: Do you know who Mr. Whitaker was speaking to? Anyone from the government?

Mr. Baxter: I have no idea, sir.

Mr. Tascona: Who's your MPP?

Mr. Baxter: At the moment, we don't have one. Mr. Flaherty was the MPP.

Mr. Tascona: So you're from the Whitby-Ajax area?

Mr. Baxter: I live in Whitby, yes; Mr. Flaherty's riding.

Mr. Tascona: You've got a lot of experience in this area as a business manager. Certainly, it takes a lot of political skill to get to the level of business manager and hold that position. You've appeared, it looks like, at the labour relations board, correct?

Mr. Baxter: Yes, sir.

Mr. Tascona: Have you appeared there as the one presenting the case for the union or just as an adviser?

Mr. Baxter: We always have a lawyer in place, but as an adviser to the lawyer through the collective agreement.

Mr. Tascona: What are your thoughts in terms of how the labour relations board is operating and what you could bring to it? Because you just want to deal with the construction side.

Mr. Baxter: With the position that I'm applying for in the construction sector, I know there's a large backlog in the construction sector, and I'm hoping that the balance is back there and there won't be as many cases going to the board. With my capabilities and my knowledge, I hope I can give some good input to the construction sector.

Mr. Tascona: When you say there's a backlog in terms of the cases, what's the delay? What's the timing for getting a hearing up at the labour board for the construction side?

Mr. Baxter: Anywhere from two to three months.

Mr. Tascona: To get a hearing?

Mr. Baxter: To first attend a hearing, yes.

Mr. Tascona: You would no longer be a business manager, I take it?

Mr. Baxter: No, I would be retiring.

Mr. Tascona: I take it you're going to be a full-time member of the board. Do you know what that pays?

Mr. Baxter: Anywhere between \$62,000 and \$76,000 or something.

Mr. Tascona: So you'll be a full-time member of the labour relations board, representing the employee or the union side?

Mr. Baxter: Yes, sir, the labour side.

Mr. Tascona: How do you deal with a case? I know how the board's set up: They have a vice-chair and a person representing the union side and the management side. How do you bring yourself to be objective in the situation? Because you've always been on the union side?

Mr. Baxter: I've always been very neutral. There are two sides to every grievance, and I'm very acceptable to talking things over with other people. I've settled a number of grievances myself with my employers prior to going to the labour board, without any mediation whatsoever.

Mr. Tascona: So you feel that, as a sideperson, you're not obligated to dissent on every decision you don't agree with if it goes management's way? Is that what you're saying?

Mr. Baxter: I didn't understand the question.

Mr. Tascona: If there's a decision that's rendered and you're the union side representative, do you feel an obligation that you have to put in a contrary opinion if you don't agree with what the vice-chair and the management rep says?

Mr. Baxter: No. I understand that you do have your own personal opinions on the situation. You're not obligated to agree with the management side but always try to work together.

Mr. Tascona: Dissent would be that you don't agree with the opinion of the vice-chair and the management rep. On the other side of the coin, there would be a vice-chair and the union rep, which would be yourself, having the majority decision, and maybe the management rep would dissent because they don't agree with it. Do you feel obligated, as a union representative, to dissent on every decision that doesn't go the way of the union?

Mr. Baxter: No, I do not.

Mr. Tascona: What do you think with respect to the board having a backlog in terms of the construction industry cases of two to three months? Would you attribute that to the shortage of manpower with respect to the Ontario Labour Relations Board bench in terms of sidepersons and vice-chairs, or would it be just the volume that's coming out of the construction industry?

Mr. Baxter: It's just the volume out of the construction industry in the last year. It's very busy in the construction industry. There were slow periods prior, but things are very, very busy.

Mr. Tascona: What kinds of grievances are coming out there right now that are going to the board?

Mr. Baxter: Mostly grievances regarding collective agreement interpretations, that I'm aware of.

Mr. Tascona: It's not collection issues?

Mr. Baxter: No.

Mr. Tascona: It's more interpretation.

Mr. Baxter: Interpretation of what's right and—

Mr. Tascona: Do you know one of your members, Martin Michelezzi?

Mr. Baxter: Yes, I do.

Mr. Tascona: You're in charge of the negotiations, I take it, with respect to their collective agreement?

Mr. Baxter: Yes, sir.

Mr. Tascona: In terms of the Barrie area, do they get some kind of travelling allowance?

Mr. Baxter: From the city hall of Toronto north, a 60-mile radius, they get one hour a day travelling time. Over the 60-mile radius, they're entitled to \$70 per diem.

Mr. Tascona: How do you find the construction industry—you're in the elevating industry?

Mr. Baxter: Elevator construction, yes.

Mr. Tascona: How healthy is the industry with respect to that right now?

Mr. Baxter: Very healthy. We have full employment of 900 members. We have 220 apprentices at the moment: first-, second-, third- and fourth-year apprentices in the industry. We have full employment; in fact, there's full employment in the province of Ontario.

Mr. Tascona: What kind of construction are you dealing with generally? High-rise condos? What kind of construction are you dealing with right now?

Mr. Baxter: We do the elevators, escalators, walks—anything over two floors, basically.

Mr. Tascona: Is it more residential as opposed to commercial?

Mr. Baxter: We are pretty balanced on the residential, which is condominium apartment buildings. We're also very busy on the ICI, which is the airports, office towers and stuff.

Mr. Tascona: Do you feel comfortable? Have you had explained to you what's required of you to be a full-time member of the Ontario Labour Relations Board? Did they explain to you what's required?

Mr. Baxter: Yes, sir.

Mr. Tascona: What do you understand is required of you?

Mr. Baxter: To work diligently and do the best you can for the people who are there: the employee and the employer.

Mr. Tascona: You're not going to be required to sit in front of your own union that you've been with for many, many years as a full-time member, I take it?

Mr. Baxter: I hope not. I have no idea.

Mr. Tascona: So you're not aware of any conflict-of-interest guidelines at the labour relations board?

Mr. Baxter: No, sir.

Mr. Tascona: They haven't made you aware of that?

Mr. Baxter: No, not at the present time.

Mr. Tascona: When would this appointment take effect? Would it be right after we finish reviewing you? Would you go right into it or is there going to be a time lag?

Mr. Baxter: I'm looking at a timeline of possibly April 1.

Mr. Tascona: April 1 of this year?

Mr. Baxter: Yes, sir. It gives my local union time to get another manager, one of my reps, in my place.

Mr. Tascona: In terms of your perspective of the construction industry, how do you think it's working right now in terms of the laws? Are you satisfied with it?

Mr. Baxter: Yes, I feel it's balanced.

Mr. Tascona: Those are all the questions I've got.

The Chair: To the third party.

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Mr. Gilles Bisson (Timmins-James Bay): I'm going to pick up on a couple of things my colleague from the Conservative Party said.

I always kind of shake my head when I hear the Conservative Party talk about, "You're a labour guy, therefore you're going to be labour sidesperson on a board, therefore you're going to rule only on behalf of workers." I know a lot of employers who are sidespeople. Quite frankly, they're pretty good at watching out for the interests of their members, and I certainly hope that you're going to have sympathy for workers. That's my first question, contrary to where my colleague was going. You're a worker; you've represented workers all your life. Are you going to be there with an agenda to represent employers? Is that what you're trying to tell me?

Mr. Baxter: No. I'm representing the labour side.

Mr. Bisson: Thank you very much, because that's why you're being put there.

Mr. Baxter: I misunderstood the question.

Mr. Bisson: Okay. I just wanted to be very clear.

On the other issue, what troubles me a bit is the answer to the last question, that you feel the labour laws are balanced. I think they're quite in favour of the employer. We have a difference of opinion, and I'm wondering why you would have said that, being a person from labour.

Mr. Baxter: Well, they're getting to be a little more balanced than what they were a few years ago.

Mr. Bisson: I've seen much in the way of reform to legislation, everything from the Labour Relations Act in terms of organizing, the Occupational Health and Safety Act, the workers' compensation act, and we're certainly not making those acts more progressive for workers. If anything, it's becoming a lot more difficult. I'm just curious about why you would think there's a balance. I think we've removed the balance and have swung the other way, in favour of the employers.

Mr. Baxter: But I do feel that the balance is coming back, with the changes.

Mr. Bisson: Anyway, I just repeat the point that you're a sidesperson for labour, and I would expect that you would be there, not always ruling in favour of labour, because obviously sometimes cases go before the labour relations board where there's no merit for the case to be won, but I would certainly expect you to be sympathetic to the labour side.

Mr. Tascona: He's a brother, Gilles.

Mr. Bisson: He's a brother. I'm just double-checking that he's a brother, okay?

The Chair: Gentlemen, we're starting off the new session—

Mr. Bisson: It just bugs me. It's this thing that we hear from the business sector all the time. Whenever you appoint a labour person, it's the issue of, "Are you going to rule only on the side of the workers?" I've never seen the sidespeople on the employer side always ruling in favour of the workers. Normally, they're ruling in favour of the other side. We've got a labour guy. I'm kind of happy about that, and I would hope that we keep on going in that direction.

Just a couple of things. I note in your application that you obviously have appeared before the board before. Have you done a lot of arbitration work, representing grievances at arbitration?

Mr. Baxter: Do you mean the Ontario Labour Relations Board?

Mr. Bisson: Yes.

Mr. Baxter: Yes, I've been at the board many times.

Mr. Bisson: So you obviously know well how the board operates etc.

Mr. Baxter: I've been attending at the labour board since 1992.

Mr. Bisson: How long have you been told this particular appointment is for?

Mr. Baxter: Three years.

Mr. Bisson: Do you expect to get renewed at the end of three years?

Mr. Baxter: I'm hoping to.

Mr. Bisson: I don't have any other questions. That's fine by me.

The Chair: To the government side.

Mr. Parsons: Mr. Baxter, your work experience, your history and your knowledge clearly demonstrate that you can fill the role of bringing the labour perspective to the board, and we are very pleased that you put your name forward.

Mr. Baxter: Thank you very much.

The Chair: Anything else? Great, Mr. Parsons. Mr. Baxter, thank you very much for your presentation and your response to members' questions. We move to what's called a concurrence vote on whether to approve the appointment or not at the end of the interviews, so probably in about an hour or an hour and a half's time. You're welcome to stay and enjoy the session.

Mr. Baxter: Thank you very much.

MICHAEL LAUBER

Review of intended appointment, selected by third party: R. Michael Lauber, intended appointee as member, Smart Systems for Health Agency board of directors.

The Chair: Our next intended appointee is R. Michael Lauber. Welcome to the standing committee on government agencies. Mr. Lauber is the intended appointee as member of the Smart Systems for Health Agency board of directors. Mr. Lauber hails from Toronto and is, it looks like, the current Ombudsman for Banking Services and Investments, OBSI. Am I right about this?

Mr. Michael Lauber: Former.

The Chair: Okay, former, but one of the best they've had there, right?

Mr. Lauber: Absolutely—the only one, up until six months ago.

The Chair: Mr. Lauber, you've been here, so you know the routine. You're welcome to make opening remarks about your interest in the position and your background. Then we'll begin any questions with the third party and do a rotation to the government and official opposition. Sir, the floor is yours.

Mr. Lauber: Good morning, Mr. Chair and committee members. Thank you for the opportunity to appear before the committee this morning. I'll take about five minutes with my comments.

I'm a chartered accountant by profession. I spent my professional career with KPMG. Most of time I was in the audit practice, having responsibility for both public and private companies in a wide range of businesses, from newspaper publishing to mining. I was a partner in the firm for 21 years. I also had significant involvement in not-for-profit organizations such as colleges and universities, some health care organizations, and several large charities. I was one of four partners who formed the KPMG Centre for Government in 1993, as a division of the practice focused on services to the public sector, including transformation, re-engineering and various commercial arrangements.

In 1996, I left the firm and I became the first Ombudsman for Banking Services and Investments, an independent dispute resolution body. It was created to investigate customer complaints and make recommendations for redress up to \$350,000. In the 10 years I was Ombudsman, OBSI grew from a membership of seven banks to now include all banks, all trust companies, investment dealers and mutual fund dealers in Canada—approximately 450 firms.

Over the years, I've been an active volunteer in my profession and in the community. I served as a governor and a member of the executive committee of the Canadian Institute of Chartered Accountants. I also served as committee chair for three committees of the Ontario Institute of Chartered Accountants, and I was appointed a fellow of that institute in 1998.

At the Toronto Board of Trade, I served eight years on the board of directors and four years on its executive committee. I've chaired many committees at the board of trade over the years, and I currently chair the air services committee of the board.

At the municipal level, I was a member of the economic development committee of the former city of Toronto for nine years. That committee is a standing committee of council. I also chaired the subcommittee to develop the first economic development strategy for the city of Toronto, and I co-chaired a committee to integrate the economic development strategies of Metro and the six amalgamating cities in 1996.

Some recent formal training that I've taken: I took mediation training at Harvard Law School and I'm cur-

rently taking the directors' education program at the Rotman School of Management.

The role I'm being considered for is part-time chair of the board of directors of the Smart Systems for Health Agency. As such, my primary responsibility would be to provide leadership to the board and see that the necessary items are brought to the board at the appropriate times. There are other responsibilities of the chair set out in the regulations, and the minister and management will have other requests of the chair.

The board as a whole has the responsibility to oversee the good governance of the organization, the management and operations, the risk management policies and procedures and the strategic planning for the organization, all within the policy framework as set out by government.

My professional career has given me the experience in a wide spectrum of business sectors and business practices. All of the boards I've worked with involved senior members and functioned in a very professional manner during challenging times for these organizations. I'm also a director of a manufacturing enterprise that will be filing an IPO in April and listing on the TSX.

I believe my career experiences will enable me to contribute to the good governance of the Smart Systems for Health Agency and the achievement of its goals.

I'd like to thank you for your interest, and I'd be pleased to respond to your questions.

The Chair: Mr. Lauber, thank you very much for your opening remarks. We'll begin the questions and comments with Mr. Bisson.

Mr. Bisson: You obviously have lots of experience on the financial side. I'm just curious. As you look at the roles and responsibility of what you're going to be on this particular board, it has a lot to do with information services with the health agencies that you're going to. I'm wondering why someone with a financial background wouldn't want to go into something that is financial: a financial services board or whatever it might be. Why this particular area?

Mr. Lauber: When I left public practice as an accountant, I didn't really go into a financial area. I went into a dispute resolution, mediation, arbitration type of environment. This is a different type of thing, and it's a part-time role. The board of directors provides oversight to the organization. It is responsible for the good governance of the organization, not the operation of it.

Mr. Bisson: I understand that. That's not my question, though.

Mr. Lauber: To be the chair, I don't think I need to be an IT expert.

Mr. Bisson: I just wonder, because we see that a lot with appointments. This is not a fight I want to pick with you; it's just that it seems to me sometimes—I look at your resumé and you have a lot of experience in a whole bunch of areas where you'd be able to serve with distinction. I have no argument. Dispute resolution; You've been an ombudsman with the banking services—there's a whole bunch of experiences and expertise that

you can bring to a whole bunch of other boards, and I'm wondering, why not pick something in that area in which you have a wealth of knowledge, background and experience, rather than on the health side? Why this particular one? What drew you to this?

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Mr. Lauber: I was asked to look at it. I looked at it and found it intriguing. The more I got reading this, I realized this is a very key sector within health care. For instance, the other day, the Health Council of Canada's Decter report came out and I think the underpinning of his whole report is that information management is going to be the key enabler, where most of the major reforms are going to take in health care. I just found it to be a really interesting challenge.

Sure, I would be interested in the securities commission, for example, but—

Mr. Bisson: I agree with you that this is one of the key parts of innovation in the health system, and we can get into a big long discussion on that on which we'll probably all agree, but you said you were asked to look at this appointment. Who asked you to look at the appointment?

Mr. Lauber: I sent a note to Minister Smitherman, whom I know. I said that I had retired as Ombudsman here a few months ago and was looking to become involved in something. He came back rather directly and said, "I've got something interesting."

Mr. Bisson: I've got a lot of respect for Mr. Smitherman. I think he's an able person, so I don't argue his wanting to have you, but I go back to the government, and this is just general comment and you don't have to respond to this: We see this a lot. I haven't been on this committee for the better part of a year, but there was a bit of a pattern in the early time of your government and I see it sort of continuing now. You get really good people like this guy. This guy is a top-notch appointment; no argument. He has all kinds of experience. But there's no mechanism within the Public Appointments Secretariat to say, "You know what? You're applying for this particular commission, but we could really use you somewhere else." There's the financial securities commission; there are all kinds of openings within the Ministry of the Attorney General and the Ministry of Labour and others when it comes to arbitration and mediation. I just say to the government that we should try to put our best people where they're most suited.

Listen, I hear you, right? As an MPP, all of us can probably go and serve on a number of things that we're not expert on because we've built, as you have, experiences that you can bring to other boards. I don't argue that for a second. I just say to the government that you really need to have a mechanism at the office of public appointments to vet these things a little bit better. As I looked at this gentleman's resumé, I went, "Wow, would I ever like to have him on a couple of commissions," because quite frankly I don't care what your politics are. You've got something good to give to the province of Ontario that probably would be more along the lines—I

don't have a particular problem with your credentials; my problem is that I think you'd be better suited somewhere else.

Am I going to withhold my vote for you? Probably not. But I say to the government across the way, you've got to talk to the office of public appointments or whatever they're called about getting a better system, because this is a pattern. It's like I'm an MPP or a minister, and I want somebody good whom I've met somewhere out in Ontario to serve. I happen to be the Minister of Health and I've got an opening, so I say, "Why don't you apply for this one?" We need a mechanism that says, "George. He's a great guy. You know what? Our Minister of Finance would really like to have him on something else." You need to have a mechanism for that.

Anyway, you can comment on that or I can move on.

Mr. Lauber: I appreciate your comments, but I am very interested in this job.

Mr. Bisson: I don't doubt that you are, and quite frankly I'm very interested in this area too and, like you, could probably do a good job on such a board.

I want to go to the air services committee. That kind of—

The Chair: Are you looking, Gilles?

Mr. Bisson: No, I'm not looking for an appointment. I'm running in the next election and the one after that. The people of Timmins-James Bay deserve good representation and I'm going to give it.

I note in your community involvement that you're a part of the air services committee. Do you want to explain that one a bit?

Mr. Lauber: The Toronto Board of Trade has many committees, as you know, and one of the committees is air services, which is involved generally in the whole aviation industry from manufacturers through air carriers, airports and so forth. I chair that committee. It's one of my interests, which I got involved in a few years ago.

Mr. Bisson: Do you fly? Are you a pilot?

Mr. Lauber: No.

Mr. Bisson: Okay. I thought we had a common interest in flying. I'm a pilot and I was looking for someone to go for a flip with.

I also notice in here that you sat, I take it it was with the GTA at the time—the whole issue of municipal tax reform. You've got quite a bit of experience in that particular end.

Mr. Lauber: Yes, I was one of the leaders of the board of trade; I guess I was incoming chair.

Mr. Bisson: Here's my question: If you had to re-upload some services back to the province in order to give the municipalities the ability to do their jobs better, what magic wand answers would you give me?

Mr. Lauber: Money.

Mr. Bisson: No, but if you had to re-upload, what would you re-upload? I'm just curious. You have some experience there.

Mr. Lauber: I'll chat with you afterwards on that one.

Mr. Bisson: Very good. I want to talk to you. I want to hear what you've got to say because that's another

interest of mine. Like all members, we're interested in so many things, it is unbelievable.

There is one other thing I wanted to take a look at. Through your particular resumé, and I'm not faulting you for this—I didn't see anything in there that gives you a lot of IT experience. Can you speak to that a bit, because a big part of what this commission does is IT. That's one of the deficiencies in your—maybe you have it and I just don't know.

Mr. Lauber: I think that was the point I started to make earlier. The board doesn't have to be expert in IT, and in fact shouldn't be. There's a chief executive officer; there's a large staff of around 380 people at Smart Systems who are experts in IT. On the new board, there have been, I think, six new appointments recently. There are a number of people who have health care backgrounds, people who have IT backgrounds and so forth. So I think collectively the board will be a nice balance of knowledge and experiences. There are people like David Brown, the former chair of the securities commission, there. So we have a good balance.

I've been around IT systems as an accountant most of my life. Could I run or design an IT system? Not a hope.

Mr. Bisson: How much time do I have?

The Chair: Two minutes.

Mr. Bisson: Let me put this: Have you ever seen the programs called Yes, Minister and Yes, Prime Minister?

Mr. Lauber: Absolutely.

Mr. Bisson: You understand what I'm talking about, yes?

Mr. Lauber: I hear what you're saying.

Mr. Bisson: They're going to be coming up and pitching you all kinds of ideas, some of them good, sometimes their own agendas. You've got a whole bunch of expertise on the financial side. If somebody tried to pull a fast one on you on that side, you'd be pretty knowledgeable in being able to say, "Somebody's trying to push something here that may not necessarily be what we want." But this is primarily an IT thing, and that's one of your weaknesses. Okay, you have other people on the board who have expertise, but it's one of the deficiencies. How do you deal with the issue that if you don't have a lot of expertise in IT—I think you're applying for the chair, right?

Mr. Lauber: Yes.

Mr. Bisson: How do you as the chair deal with somebody trying to pull a fast one? It happens.

Mr. Lauber: You draw on your board; you draw on your management; you draw on expert people. One of the things that I think I'm strongest at is I'm a very practical person and I have a very good nose, and I'm sure most of the people on the board fall into that category.

Mr. Bisson: It's like Eddie Shack had a nose for value. I think that was the hockey player.

I just say that I think, with your expertise, you would have been a lot better suited on something you have background in. I don't argue that you have an interest, I don't argue that you have a contribution to make, but I say to the government, here's a guy who could have

served on a board, with a lot of experience on the financial side, who knows all the ins and outs, who I think would have been probably better suited—I say to the government, fix this problem.

Ms. Monique M. Smith (Nipissing): We hear this speech every week.

Mr. Bisson: But you don't fix it. That's why I keep bringing this speech back. I need you to fix it.

Mr. Lauber: Just as another perspective on that, I don't have any expertise to speak of in health care. I'm not aligned with hospitals; I'm not aligned with doctors; I'm not aligned with the community organizations. Therefore, in many ways, as chair, you're in a better position to fairly balance the various pressures and so forth that come, because you don't have any allegiance to any of these. I've looked and I don't believe I have any conflicts in this sector.

The Chair: The government side?

Mr. Parsons: Thank you, Mr. Lauber. All of us, as provincial members of Parliament, are blessed with having obtained probably the only job in Ontario that has no qualifications to become a member.

Mr. Bisson: But it's a very long job interview process.

Mr. Parsons: It is, and the reviews are very challenging at times, too.

From our perspective, this is a position that requires strong organizational skills and strong governance skills. Essentially, what we're looking for in a leadership role is a person who's smart. You meet that criterion. Thank you for applying for the position.

Mr. Lauber: Thank you.

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The Chair: To the official opposition; Ms. Scott.

Ms. Laurie Scott (Haliburton-Victoria-Brock): Thank you very much, Mr. Lauber, for appearing here before us today and for wanting to sit on this committee, which looks like it's quite a challenge. We have you applying as a director; we're interviewing you as a director. Just to clarify, in your comments—

Mr. Lauber: It is for chair.

Ms. Scott: It is for chair? Okay, because on the paperwork I have, it just has "intended appointee as member, Smart Systems for Health Agency board of directors." When you said "chair," I just wanted to clarify that.

Mr. Lauber: Yes, for three years.

Ms. Scott: Okay, so you're applying for chair and your understanding was that the term was for three years. It's just that, if that is made—the process, just to get that clarified—

The Chair: We'll check it. Go ahead.

Ms. Scott: We could potentially bring you back to interview you as chair. It might just be a paper discrepancy. You said "chair"; we have it down as "member."

You've been involved in various backgrounds—

Mr. Bisson: It does say "chair" on this one. There's a conflict between that one and this one. That's why I asked.

Ms. Scott: It's just a matter of copies. Sorry about that.

And it is part-time chair?

Mr. Lauber: It is part-time chair.

Ms. Scott: Are there two part-time chairs or a full—

Mr. Lauber: No.

Ms. Scott: It's just because they're part-time. Okay.

There have been a lot of questions, certainly in my riding of Haliburton–Victoria–Brock, about the Smart Systems, how up to date they are in my northern hospitals in Haliburton and then in Lindsay, for example, in the more southern part of my riding, and the linkage between that and Cobourg. They have been looking at putting in high-speed broadband, doing a more modern system, in their opinion, than what Smart Systems offers them at this point. I know you're not an IT person, but just in general, the comments that have been made in the papers lately and what I'm hearing in my communities about how up to date the system is: Is the health system that far behind that we're actually not helping our communities get online?

Mr. Lauber: No, I don't at this point. I've done a lot of reading in the last few months while this has been in the process. My understanding is that Smart Systems is a very modern, state-of-the-art type of system, that there is major infrastructure in place and they're in the process of rolling it out to the hospitals and the community and so forth, and all of the linkages for that point. I know there are issues of rural development and so forth, and that's partly driven by the availability of broadband in general, I gather. But no, I haven't read anything that it's deficient in any way. Certainly there are things we'll have to learn and understand, but I don't believe that in any way is the case.

Ms. Scott: Just to bring you into the loop, on December 6 Minister Smitherman indicated that he was launching the operational review of Smart Systems.

Mr. Lauber: Yes.

Ms. Scott: So you're aware of the operational review. You did mention that you had spoken to Minister Smitherman. Were there any comments about what type of changes he'd like to see, or was there a clear set of expectations that he might have given you that he'd like to see the board succeed in or accomplish?

Mr. Lauber: As far as the operations review—that's a review of the structure of the organization and the controls and so forth, from the bottom to the top—that is something in the regulations that organized the organization in the first place, that after three years this would be done. So I think that's a pretty normal course of events. When I met with Minister Smitherman, he made it very clear that this was an area of priority with him, that it's an issue of some concern to move it ahead, that it keep up to the pace and the expectations to support the development in the health care sector. Beyond that, no, we didn't have a lot of discussion about it. But it's certainly an area of concern—well, of interest—to the minister.

Ms. Scott: Absolutely. You can look at lots of statistics, and I'm sure you have. We're quite far behind

in IT and communications, for example. For 25% of patients who come into our emergency rooms, it's medication-related, and a lot of that has to do with the fact that they come in at times when the doctors' offices aren't open, the pharmacy, their records. It has certainly been an underserved area, as you well know, for many years in Canada and has been written up in many studies.

Mr. Lauber: And most places.

Ms. Scott: And most places also. There does have to be a strong commitment, and different levels of government, certainly provincial and federal, have to put monies towards updating the system. It is a big task, but—

Mr. Lauber: The President of the United States, I think following his State of the Union or something, made some comment. He strongly supported information management within his State of the Union address—I don't know whether you noticed that—but he also talked about large savings. I don't know whether they're there or not.

Mr. Bisson: This is from an administration that can't shoot straight.

Mr. Lauber: I know, but it's an important issue. Michael Dexter, in his report, says it underpins the whole revitalization of the health care sector.

Ms. Scott: I firmly agree. It is a savings down the road. I don't think we've done justice to the people of the country for their health care system when we don't have an IT that's accurate and up to date.

The other thing is that doctor recruitment is always a big topic of discussion. There are over 30,000 people just in my riding of Haliburton–Victoria–Brock who don't have doctors, so I've been on the doctor recruitment committees and went to some of the doctor recruitment fairs. The doctors graduating want to see the IT—I'm not sure of the name, but it's like an e-physician type of set-up. I think about 90% of the established doctors still have the paper world, but the new doctors coming out want to walk into some type of practice where it's all computerized. Is there anything in the scope of your mandate at Smart Systems that could help doctors get started in practice with e-physician records?

Mr. Lauber: Clearly the goal of Smart Systems—and there are a lot of other areas within the Ministry of Health that come into play on this—is to coordinate. Smart Systems provides the infrastructure. We have to build a system that has the capacity and, I guess, the reputation so that doctors will want to plug in and take advantage of that system. We'll have to market it. But yes, I can see that a doctor comes out of school, he has lived in an environment where he's had a laptop computer and lived by it for the last six years, and he drops into a pencil-and-paper environment. It's the same in the United States, I gather, and in the UK. Somewhere I read recently that 98% of our family practitioners still operate on a paper-based system, yet in the business world it's light-years ahead.

Ms. Scott: Absolutely. That was one of the top things they were looking for before they chose a community, and that was one of them, being on e-physician. It is very important in recruiting doctors.

Mr. Lauber: That's one of the things I like and that interested me when I started getting involved in it a little bit. There's a major marketing job. Smart Systems, I think, has been largely an infrastructure body, and it will have to start marketing its services to doctors in the community and so forth to build up that interest in plugging into the system. You've got to sell the system.

Ms. Scott: If you were giving any advice to hospitals or family health networks that are setting up or the family health teams or the community care access centres—I have some that are coming to my riding. I'm hoping there will be some assistance to them. It's evolving right now. It's like, "Don't make any decisions right now." Is there a timeline on when the operational review will be done?

Mr. Lauber: I don't think the operational review will have any direct bearing on the rollout. The operational review is going to be really an audit assessment of where Smart Systems is right now in terms of security, confidentiality, infrastructure, business practices and so forth. It's going to be a review of that.

The new board will come in, having this report available. If there are issues to be addressed, they're going to be sitting there and can develop plans to address any weaknesses or deficiencies that are pointed out. At the same time, the rollout and the business of Smart Systems is going to carry on day by day, as we speak. They are in the rollout phase. The main thing being rolled out right now is secure e-mail within various sectors—doctors to hospitals and so forth—so that X-rays and all sorts of information can be transferred and disseminated and so forth on a secure, confidential basis.

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Ms. Scott: I guess I'm done. Thank you very much for your information. It's been a good discussion. Good luck.

The Chair: Mr. Lauber, thank you very much for your presentation and your responses to the members' questions. You're welcome to stick around. We'll probably proceed with the vote in about an hour's time.

Just to get back to Ms. Scott's question, we did our research. The order-in-council certificate which this committee is responding to does in fact say that Mr. Lauber would be appointed as a member of the committee.

Mr. Bisson: It says "chair."

The Chair: No, the certificate actually says "member."

Mr. Bisson: Oh, the certificate itself.

The Chair: Yes. It could very well be the government's intention that Mr. Lauber becomes the chair or it could be the committee's intention, but what we're responding to today is his appointment as a member of that committee, which was the OIC.

Mr. Bisson: Then I've got a question. Is the process that the board itself will elect its own chair? Is that the process in this case? Explain to me what's going to happen in the selection of chair.

The Chair: According to research, with this particular board, cabinet is to choose which of the members would become the chair, but the OIC itself says "member."

Mr. Bisson: Is that something that we're—

Ms. Scott: We could ask him to come back again.

Mr. Bisson: We can ask him to come back once he's been—

The Chair: I don't think so. We respond to orders in council, right? It's orders in council for appointments. We could get back to the committee on this, and we'll make sure we have our facts straight. The information I have before me today is that that would not be an order in council, so there would not be a second opportunity if that's the committee's wish.

Mr. Bisson: But to research—don't we normally, as a rule, when we get the appointments, indicate if they're going in as chair or as a member?

Ms. Carrie Hull: I think that depends on the statute. In this case, it says that the cabinet has the authority to select one of the members as chair.

Mr. Bisson: Okay, that answers my question.

The Chair: We're good? Great.

Mr. Lauber: It's not a problem?

Mr. Bisson: Well, for us, not for you.

The Chair: We have to follow the technical rules, and technically you were nominated by cabinet as a member of the committee. We understand the legislation then gives cabinet the ability to name who the chair would be among the members who are there. It sounds like it's very well the government's intention to appoint you to that position.

Mr. Lauber: Thank you. This organization hasn't had a chair since October.

The Chair: There you go. Thank you very much.

GARRY MINNIE

Review of intended appointment, selected by third party: Garry Minnie, intended appointee as member, Assessment Review Board.

The Chair: We now call forward our third intended appointee. It is Garry Minnie. Mr. Minnie is the intended appointee as member of the Assessment Review Board. He is our second Durham region resident before the committee today. Among his varied background, he's a member of the Ontario Woodlot Association, whom I'm meeting with in the near future, as a matter of fact—a good bunch of people.

Mr. Minnie, the floor is yours to make a presentation about your background and your interest in this particular appointment. Then, as you've seen—you've been rapt in your attendance today—we'll begin any questions with the government members and follow a rotation. Sir, the floor is yours.

Mr. Garry Minnie: Thank you, Mr. Chair. I appreciate the opportunity to appear before the committee and to introduce myself. I believe you have a resumé before you, so I will just add a bit more information.

I was raised on a farm in the upper Ottawa valley near Eganville. I received a Bachelor of Arts degree from St. Patrick's College in Ottawa and, later, an honours in English through the University of Toronto. I've had the

pleasure of teaching both elementary and secondary school in both the separate and public systems, although most of my teaching career was in the public secondary system, at Courtice Secondary School. I served as head of the English department at Courtice for 20 years, with time off from 1989 through 1992 to serve as president of district 49 of the Ontario Secondary School Teachers' Federation in the jurisdiction of the Northumberland and Newcastle Board of Education. Prior to that, I had served on the collective bargaining team. After retiring from teaching, I spent more time in community activities, and I became active in the Ontario Liberal Party. I worked in sales for a publishing company for most of 1998. I was the Liberal candidate in the riding of Durham in 1999 and 2003.

I'm very excited about serving on the Assessment Review Board. I have looked at the requirements for and the mandate of the ARB, and I believe I can fulfill the role of part-time member. I have attended and observed several hearings of the board, I have read most of the legislation, I have talked to several board members and I have met with the chair of the board. I've tried to familiarize myself with the assessment process in a general way. Clearly, I have a lot to learn about the application of the legislation, but I feel confident that I can do that.

I have a record of bringing people together and of resolving differences. I have the experience and professional skills to conduct hearings, to write clear and concise reports, and to provide for a fair hearing process.

In conclusion, I would say that fairness should be the chief characteristic of assessment and of any hearings dealing with assessment. I believe that with the training and the mentoring process that the ARB employs, I can become an effective board member. Thank you.

The Chair: Thank you very much for your presentation and for joining us here today. The government has the first question or comment.

Mr. Parsons: No questions, Chair. We are very satisfied with Mr. Minnie's qualifications.

The Chair: The official opposition?

Mr. Tascona: Thanks very much, Mr. Minnie, for attending here today. I just want to state for the record, which you indicated in your testimony already, that you were a Liberal candidate for the provincial Liberal Party for the riding of Durham for the 1999 and 2003 elections.

Mr. Minnie: That's correct.

Mr. Tascona: Looking at your application, I was not able to see any information about when you applied for the position. Can you tell me when you applied?

Mr. Minnie: I applied in late 2003. It was processed in 2004. I had a meeting with the director of the Public Appointments Secretariat to discuss different positions. She arranged a meeting with the chair of the board. Then I had the interview and a call to appear here.

Mr. Tascona: Who was the director you met with?

Mr. Minnie: Debra Roberts.

Mr. Tascona: When did you have that meeting with her? Do you recall?

Mr. Minnie: It would have been in the early spring of 2004.

Mr. Tascona: Did she contact you or did you contact her?

Mr. Minnie: No, I contacted her. I had applied, having been to the website. I made a general application. I'm not sure whether she called me or I called her. Probably I called for a meeting; it's quite likely. I can't recall that. I met with her, though.

Mr. Tascona: Is that standard procedure, to call up the director and have a meeting with her?

Mr. Minnie: I called the Public Appointments Secretariat and ended up talking to her. I don't know if it's standard procedure. That's what happened.

Mr. Tascona: Then she arranged for you to meet with the chair of the ARB?

Mr. Minnie: That is correct.

Mr. Tascona: When did you meet with the chair?

Mr. Minnie: Last summer. It took a long time. He was out of the country. It was sometime last summer.

Mr. Tascona: What did you discuss with that person?

Mr. Minnie: With the chair of the board we discussed the position, what it would entail. At that time, I was still investigating whether I thought I was appropriate, whether this was the right thing for me to be doing, and that's what we discussed: the nature of the job, the requirements of the job and, in general, what the job entails.

Mr. Tascona: In terms of the requirements of the job, it's a part-time member at the ARB. Do you know what time requirement that's going to be?

Mr. Minnie: No. Apparently, it varies a lot from year to year, as a matter of fact, depending on assessment. A notice is coming out. I'm quite prepared to work most of the time that I'm given.

Mr. Tascona: Do you have a minimum or a maximum that they gave you, a time frame of how much you would work?

Mr. Minnie: No, we did not discuss anything like that, and I don't have any in my mind at this time.

Mr. Tascona: What do you get paid for that?

Mr. Minnie: Thirty-four dollars an hour.

Mr. Tascona: Thirty-four dollars an hour, plus expenses?

Mr. Minnie: Plus expenses.

Mr. Tascona: This is the only board that you applied to serve on. What was it about this board that drew your interest?

Mr. Minnie: I think the fact that the board tries to resolve differences on a matter that's geared to a lot of people: assessment, which leads to their taxes. The fact that the board wants to have a fair settlement of disputes—that's the purpose of the board—appeals to me a lot.

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Mr. Tascona: Have you had any interface with the ARB before? Have you put in a request for reconsideration or have you had a hearing?

Mr. Minnie: No, I never had, although my neighbour did, I can tell you.

Mr. Tascona: You've never appeared in front of the Assessment Review Board.

Mr. Minnie: No.

Mr. Tascona: In any capacity.

Mr. Minnie: No, never.

Mr. Tascona: Do you have an opinion with respect to the CVA for a residential property?

Mr. Minnie: I don't think it would be appropriate for a potential member of the board to express a direct opinion on CVA. I understand why CVA came into being. I understand how irregular assessments were across the province and the desire to have a more uniform system. I understand that most North American jurisdictions seem to have moved to CVA.

On the flip side, I understand that there have been difficulties getting all properties brought up to CVA—so there has been some controversy about that—or that there have been attempts and different views on getting everybody to CVA. But I don't think it would be appropriate, as a potential member of the board, for me to express a direct opinion on CVA.

Mr. Tascona: I'll just bring to your attention that in October 2005, the Ontario Ombudsman, André Marin, announced that his office would be conducting an investigation into the process for valuing properties. The investigation will focus on two areas: an alleged lack of transparency in the property assessment system and the integrity and efficiency of the decision-making process. The impetus for the investigation was complaints from homeowners who are confused about the criteria used in determining individual assessments. In addition, it is alleged that MPAC has refused to recognize previous decisions by its own staff and the Assessment Review Board reducing assessments, thereby forcing homeowners to appeal their assessments again. Do you have any comment on that?

Mr. Minnie: I don't have any particular knowledge about those charges of improper assessment. I do know that MPAC has a very difficult task, and not necessarily a popular task, in assessing property value, so it's not surprising that there would be people who would sometimes be unhappy with the assessment; I don't find that a surprising thing. But I don't think I can comment on that. I am not aware of any irregularities and I think it would be improper to comment on that.

Mr. Tascona: Do you have any knowledge of assessment averaging? Do you know what that is?

Mr. Minnie: I know what it is.

Mr. Tascona: What is it?

Mr. Minnie: When there's a bump, I suppose, in a given year that makes for an excessive taxation year, the idea is to spread it over several years to smooth it over. That's what it is.

Mr. Tascona: Do you have any knowledge of tax caps and ratios?

Mr. Minnie: I understand what they are. I don't say that I understand it fully, but I know what they are.

Mr. Tascona: What do you think they are?

Mr. Minnie: Particularly in the case of business and industry, they were where excessive increases in the evaluation were providing a hardship, or a supposed hardship, so caps were put on. The problem with caps, of course, is that if some people don't reach full CVA, then presumably somebody else is picking up the other side of it. I understand that there is an issue about that.

Mr. Tascona: Are you familiar with the assessment of trailers in trailer parks, which has been a controversial issue for years? Some trailers are assessed and others are not. Thus, in 2002, MPAC began assessing all trailers in trailer parks and indicated that new assessments would be applied retroactively. This action provoked many petitions to the Legislative Assembly. Owners of trailer parks and their residents argued that they use few municipal services and that the tax will discourage tourism. They have advocated a tag system, whereby a seasonal fee would apply to trailers. The Liberal government cancelled the assessments that would have applied for the 2003 tax year; however, it was later announced that trailers exhibiting characteristics of permanency would be assessed and liable for property tax in 2004 and future years. Do you have an opinion on this issue?

Mr. Minnie: Again, a matter of classification of property is something for MPAC to apply under the legislation, under the regulations that are set out in the act. I don't have any particular knowledge about the assessment of trailers; none at all.

Mr. Tascona: I take it you don't live in a trailer.

Mr. Minnie: No, I don't live in a trailer, although I did actually have one.

Mr. Tascona: From what I understand, in terms of your background, you never appeared in front of the ARB and haven't had any real experience with the Assessment Review Board. Looking at your resumé, certainly it's not related to anything that would be considered related to dealing with property assessment and dealing with this particular area. So I have difficulty understanding what you feel your qualifications and skills are that you can bring to this, but maybe you can elaborate for the committee.

Mr. Minnie: When I look at the requirements for membership on the ARB, I feel that I meet many, or most, of the requirements, which are to look at things fairly, to be able to assess people and their credibility, and to have an open mind. In speaking to members of the committee, and I've spoken to a few members, and in familiarizing myself with the ARB, what they stressed is that the most important thing is to evaluate the evidence that's brought before one at an ARB hearing—the evidence provided by MPAC and the evidence provided by the complainant—and then to judge based on the appropriate regulations. I feel I can do that.

Mr. Tascona: Thanks very much for your presentation.

The Chair: Monsieur Bisson.

Mr. Bisson: Monsieur le Président, it's so nice to be here with you this morning.

The Chair: We welcome you too. It's your debut, by the way.

Mr. Bisson: I missed this committee. I was gone for a year, and I'm just so glad I'm back. I'm so glad that as whip I put myself back on.

Listen, I'm going to say what I've been saying for a long time: a great person, all kinds of experience, but there's a real incompetence in this government's ability to try to match people to where they're best suited.

Mr. Parsons: You're going to give us a complex.

Mr. Bisson: I hope you have a complex, because maybe the first step to accepting that there's a problem is to admit you have a complex, and then do something about it.

I look at this gentleman's application; I have no quarrel with him. He has all kinds of experience in a whole bunch of areas, but none of them have to do with the assessment system. So this particular gentleman's going to have a steep learning curve, with all due respect—I don't have a fight with you; I have a fight with these guys, your brothers and sisters in the Liberal Party—that there's a steep learning curve to learning how the assessment system works so that he is able to make good decisions on behalf of the hearings that he's going to preside over. You know as well as I do. Find me two MPPs in this Legislature who understand the assessment system thoroughly, and I'm going to give you \$100, because they don't exist. It is a very complex system, as we all know. We as MPPs deal with irate constituents on a monthly basis—I wouldn't say a daily basis—who basically come in and who are mad at the way the assessment has been done on their property.

I'll give you a good little example of things you're going to have to deal with, of which you know very little. The assessment system, as it works: It used to be that we'd send the assessors out on the street. We would say to the assessors, "Physically go to the building and do an assessment of the building." Then they came back and said, "Well, you know, the garage, the fence, the windows, the eaves, the rooms"—all that stuff, and they came to a value. Now what we do is say, "Real estate companies, tell us what sales you've had in your community." If you fall within the particular geographic area that had a sale, they will apply to all the other buildings in that area whatever the sale amount was in that particular neighbourhood. For example, if you had a bunch of houses that were probably worth about \$75,000, but for some reason the only house that sold in that neighbourhood somebody came by and paid \$100,000 for because they didn't know any better, the assessment on all those properties is going to go up by 25% because of that one sale.

This gentleman is going to be asked to basically understand how the system works to make some decisions, and I say, boy, there's a whole bunch of things that you could be sitting on in the education field. This gentleman has a wealth of knowledge in education. I don't argue for one second your authority in that area. You've worked in the not-for-profit sector as a volunteer.

There are all kinds of opportunities on the social services side—I have no argument.

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I don't even have a problem that you're a Liberal. I believe the government has the right to appoint its own people. That's not my argument because I know every government is going to appoint a number of people from its own party to sit on commissions because you want your commissions to follow the directions of government policy. So my argument isn't that this guy's a Liberal. I don't care. He can be a Liberal. He could have run, as he did the last time. He could have run 10 times; don't bother me.

My issue is, you keep on bringing appointments before this committee who are basically really good people—and this is a good guy—who can contribute to the province of Ontario but know little of the assessment system. This time my colleague and I are going to agree, unlike we did two before—and I'll rub it in. I'll tell you, you're in trouble when I agree with you.

Ms. Smith: You're brothers.

Mr. Bisson: We're brothers; that's exactly the point. We are brothers in the Legislature.

Mr. Parsons: You should be scared.

Mr. Bisson: I know. He should be scared that I called him a brother.

I'd just say to the government, you've got to put a system in place that does checks and balances.

I've had my rant. You understand why I'm going to come at you with some questions on market value assessment. But I'm going to go back to the very basic point that my colleague Mr. Tascona raised with you, and that is that the Assessment Act is a fairly complex piece of legislation. How in heck are you going to be able to do the best job you can, not knowing anything about the act or the system?

Mr. Minnie: I expect I will learn the relevant—

Mr. Bisson: No doubt you're going to learn. I know you can learn because you're a teacher. But how much of a learning curve—why here? Why did you end up on this particular commission? Did somebody come and talk to you?

Mr. Minnie: I explained previously that I discussed appointments with Debra Roberts and I think I said in my previous answer, too, that the idea of fair assessment appeals to me.

Mr. Bisson: I have no doubt.

Mr. Minnie: I don't think that one has to be absolutely an expert in a given area to sit on a board.

Mr. Bisson: My argument, sir—oh, finish. Sorry, I cut you off. Go ahead.

Mr. Minnie: I think that applies to—

Mr. Bisson: MPPs, I'm sure.

Mr. Minnie: —school boards, to MPPs, to juries.

Mr. Bisson: There's an argument to be made. As you know, on the legal system, I would agree. We have some lay judges and we do that for a reason, but they have knowledge in the legal field before they end up there. My I personally have no problem with you. I know that you're a well-intentioned person, you're trying to do your

best and you're going to serve to the best of your abilities. That's not my argument. I just wonder why in heck the government says, "Here's a guy with a whole bunch of experience in another domain," and didn't put you there.

This is a steep learning curve. I'm telling you. These hearings are not just about how you feel about how fairness has been applied. You've got to apply the legislation and, more than the legislation, the regulation and, on top of that, all of the manuals that go with it. It's a pile of paper this thick, and I'll tell you, there are not many MPPs, including the Minister of Municipal Affairs, who understand it. I ask again: How long do you think it's going to take you to come up to speed to give somebody a fair hearing on an issue, both the taxpayer and the person who's before the hearing?

Mr. Minnie: I can't give you an exact number on that, but I know that I can take the training and follow the mentoring process that will be in place. I do know that I was interviewed and I had no problem with the interview, apparently. It seems that they felt that I would be able to—

Mr. Bisson: In all fairness, the interview is, "Are you a member of the Liberal Party?" "Yes." Boom, you're in.

Interjection.

Mr. Bisson: To be blunt. Listen, I understand how the game works. I've been around here for 16 years, Monique. I do understand.

Ms. Smith: And your brother, that we went through a few minutes ago?

Mr. Bisson: My brother? My brother wasn't here; he's in Ottawa.

Ms. Smith: You know who we mean.

Mr. Bisson: My brother's over there. There he is.

Ms. Smith: I was going to say, your brother's over there, too.

Mr. Bisson: Listen. I made my point. There's no use asking more questions. I know what I've got to do.

The Chair: That concludes our questions and comments on Mr. Minnie's appointment. Thank you very much, sir, for your appearance and your response to the members. You're welcome to take a seat. We have one more intended appointee to get through.

MARLENE MCGRAW

Review of intended appointment, selected by third party: Marlene McGraw, intended appointee as full-time member, Ontario Lottery and Gaming Corp. board of directors.

The Chair: Our next intended appointee is Marlene McGraw, intended appointee as member of the Ontario Lottery and Gaming Corp. board of directors, aka OLGC. Ms. McGraw hails from Brantford, Ontario, and, most importantly, is an alumnus of the University of Western Ontario.

Ms. Marlene McGraw: And McMaster as well.

The Chair: You were doing well until you said that.

Mr. Bisson: Just on a point of order, part of the application is missing. The whole employment part is not

in the package that I was given. I have the first page and the very last page, but the two pages in the middle are blank.

The Chair: We will endeavour to get that to you, Mr. Bisson. Thanks for making the point.

Ms. McGraw, you've been here for a bit. You're welcome to make opening remarks on your interest in the position and your personal background. Then members of all three parties will have a chance to ask you questions about your interests. I believe we begin this round with the official opposition. Ms. McGraw, the floor is yours.

Ms. McGraw: Thank you very much. I have just briefly summarized what was in my resumé and my personal disclosure form. If you don't have that, that's going to be a bit of a problem because I haven't reiterated anything here.

Mr. Bisson: They'll bring it to me very shortly.

Ms. McGraw: Just to briefly summarize some of the information and to give you some personal information, I was born in Ontario and have lived my entire life in the province. I was raised on a farm in a farming community and have never lived more than 100 kilometres away from that community. I've earned a BA and an MBA and I am a member of the Institute of Chartered Accountants of Ontario. I've been with the same accounting firm, Millard, Rouse and Rosebrugh LLP, since I received my CA designation in 1986. I became the first female partner of our firm in 1992.

While I do love my work, I am very conscious of my good fortune in life and make every effort to contribute back to my community through volunteer activities. This year, my volunteer time involves serving as president of the Rotary Club of Brantford.

In addition to my work and volunteer experience, I have also had the opportunity to serve on the board of directors of Via Rail Canada. During my seven-year term with Via Rail, I was a member of the investment committee, the governance committee and chair of the audit and finance committee.

I'm interested in serving on the board of the OLGC primarily because I believe my previous board experience and my years of audit, financial and business management experience can make a real contribution to the organization's business model. I've worked closely with a diverse client base, including a large publicly traded manufacturing company, large and small owner-managed manufacturing, distribution and service companies, the local chamber of commerce, the local sexual assault centre and numerous other for-profit and not-for-profit organizations. I can use this unique, broad range of experience to assess and suggest improvements in internal controls, financial reporting and managing business risks. Thank you.

The Chair: Very good, Ms. McGraw. Thank you very much for your opening remarks. Any questions or comments begin with the official opposition, and Ms. Scott.

Ms. Scott: We were just debating that; we've got it sorted now.

Welcome to the committee this morning. Thank you for giving back to your community. I was very impressed that you were the first female partner in your law firm. Congratulations. I think that's great. I'm a big promoter of the advancement of women, so that's wonderful.

Before we get started, we were happy to have the opportunity to review you. We were making comment that Tim Reid, who is the board chair, wasn't initially appointed to this board; it was just an interim appointment, so we didn't have the opportunity to review him and to ask him questions, so we're happy that you are here today.

Just as a background for us, how did you come to hear of the vacancy here?

Ms. McGraw: Through Tim Reid.

Ms. Scott: Okay, so you knew Tim personally?

Ms. McGraw: Yes. Tim is currently on the board of Via Rail, so Tim and I served together there for several years.

Ms. Scott: Okay, so you're following each other around—

Ms. McGraw: Not really.

Ms. Scott: Just a comment.

Ms. McGraw: Don't let that get around.

Ms. Scott: Did you apply online or did you speak to anyone after you applied?

Ms. McGraw: I applied with a paper application a little over a year ago, sent that in, completed the personal disclosure form, had the police check and the whole thing. Then, I'm going to say approximately three months ago, I was asked to apply online because apparently the procedures had changed since I had originally sent in my paper application and they needed my application online, so I did that.

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Ms. Scott: You didn't speak to anyone after you applied? No one spoke to you?

Ms. McGraw: After I applied online? No.

Ms. Scott: So it's just through Tim Reid, and then you spoke to no one else and just came out today.

Ms. McGraw: Yes.

Ms. Scott: Did you apply to any other board, or was this the only board?

Ms. McGraw: This was the only board. When I started this application process, I was still sitting on the board of Via Rail, so that was a workload in itself.

Ms. Scott: I'm sure it is.

You've seen the marketing that the OLGC has been involved with. Do you believe that the marketing is currently being done in a socially responsible way? Do you see improvements that you'd like to bring to the board? I am asking specifically about marketing, but you can broaden that in your response if you wish.

Ms. McGraw: It's a very tough call for the OLGC. The business of gambling is a huge economic opportunity for the province, but it also carries huge social consequences. It's inevitable that they're going to be, to some degree, unsuccessful in mitigating all of the issues. Do they do a good job at mitigating the issues? As far as I can see, but I'm sure there's room for improvement.

Ms. Scott: In June 2004, a colleague of mine from Waterloo–Wellington, MPP Ted Arnott, introduced a private member's bill. That bill would have put a moratorium on the construction of new gambling premises and any expansion of existing operations until a commission had studied the negative impact of social gambling. Do you have any comment on that idea of his, that more study needs to be done?

Ms. McGraw: I think more work needs to be done. I'm not sure whether there's any more—obviously, more study involves more information, and the more information you have, the better you can mitigate the issues. In that respect, more study is obviously preferable.

Ms. Scott: It leads in to the other question I had. In general, can you tell us what you think the future of gaming in Ontario would be, what role the Ontario Lottery and Gaming Corp. may play over the next several years? I know you're just coming onto the board, but you've obviously done some research before coming on and have a desire to be on the board. I just didn't know if you wanted to share any thoughts. You don't have to be overly specific. I know you're new.

Ms. McGraw: As I said before, it's a big opportunity for the province, and the province can capitalize on that opportunity as long as it is very aware and very careful to do everything it can to mitigate any negative social consequences.

Ms. Scott: To bring it down to maybe more of a local level, I see that you're a member of the Rotary.

Ms. McGraw: Yes.

Ms. Scott: And you're currently the president, which is great. I have a lot of community service groups like that in my riding of Haliburton–Victoria–Brock, but they're all across Ontario. They've had some changes in the system, so some of their practices of raising money before, some type of raffle tickets and that—there have been some changes, and they aren't as able to raise the funds that they usually raised through their normal lottery ways. I don't know if you've had any experience with that at the Rotary. Has your Rotary hit any bumps like that?

Ms. McGraw: Absolutely.

Ms. Scott: Could you expand on that, or maybe even help me understand what they are?

Ms. McGraw: I'm not sure it's relevant to this, because basically what's happened in our community is mostly relevant to the smoking bylaw issue. The local bingo halls have closed their doors, and that has everything to do with the smoking bylaw, so it's not really relevant to the lottery corporation. In my Rotary Club, we generally try to keep our prize board so that we just need to have a municipal licence.

Ms. Scott: Okay. I'm not going to give you examples but just food for thought, that there are just some local—

Ms. McGraw: Oh, yes.

Ms. Scott: Their fundraising abilities have changed somewhat—just some technicalities that may be looked at.

There was a new lottery recently introduced that will provide new funding for athletes. The lottery is going to be available again during the summer. Do you think that lottery should be permanent? If you think it should be permanent, what impact do you believe it will have on the money now available to the Trillium grant program?

Ms. McGraw: The comment I would have on that is that I think specifying the proceeds of that lottery going to the athletes could encourage some people to gamble when they might not normally gamble. That is my concern with that type of lottery.

Ms. Scott: I've run out of time. Thank you very much for appearing before us today, and good luck on your appointment. We will have no problems.

The Chair: Ms. Scott, thank you very much. Mr. Bisson.

Mr. Bisson: Hello, and welcome before us. It seems there has been a bit of a mix-up with your application getting to us. It didn't give the employment, but I take it most of your work—if you can go through a bit of your work history very quickly, because we don't have it.

Ms. McGraw: I am a chartered accountant and I have been with Millard, Rouse and Rosebrugh, the 21st-largest accounting firm in Canada and a very large accounting firm in southwestern Ontario, since that time. I've been a partner since 1992. I cover a range of audit and review and business management functions.

Mr. Bisson: That's well suited, I would say—I shouldn't say this, but you would say this is well suited toward some of the work that needs to be done on the board as far as a board member is concerned?

Ms. McGraw: Yes, sir.

Ms. Smith: Mr. Bisson indicated he didn't have the information on Ms. McGraw, but I think all members received it. Do you want my copy, Gilles?

Mr. Bisson: I wouldn't mind a copy. It didn't come with mine. I appreciate that, Monique. You're always just so co-operative. I thank you very much.

So we've established that. I've got a couple of questions, because there are a few issues that the Ontario Lottery and Gaming Corp. has to deal with. The first one is, why is it they only sell me defective tickets? I've been buying those things for years and I've never won more than 10 bucks.

Ms. McGraw: I certainly couldn't comment on that.

Mr. Bisson: So what are you going to do about getting me a winning ticket, and everybody else here?

Ms. McGraw: Absolutely nothing.

Mr. Bisson: Good. That's the answer I was looking for. Anyway, it was just letting them know I have not yet won the big one. All right. All in fun.

What is your feeling in regard to the dependency that successive governments, all governments—everybody's had a hand in this—have on lottery and gaming revenue? Is there a bit of an addiction problem?

Ms. McGraw: With the government?

Mr. Bisson: What I'm saying is, we are very dependent on the revenue from both lottery and casinos, all of this stuff under this agency. Are we getting close to

the ceiling as far as how much we should be trying to get out of gaming and—

Ms. McGraw: I'm going to suggest, that's going to naturally occur in the marketplace. The net revenues from the OLGC have basically plateaued in the last few years, so I'm going to suggest that's already happened.

Mr. Bisson: How do you feel about some of the dependency issues, especially gamblers in the casinos and stuff, and even some of the lotteries? Are we doing enough, in your view, to deal with those who have been hurt by gaming?

Ms. McGraw: I don't think we can ever say we're doing enough. That's not a comment I think anyone should ever make. I think there's always more to be done. Some of the issues we need to be very careful about, though, are privacy issues for the individual person partaking of the gambling activities. You have to be very careful. You don't want to override their privacy. I don't think we can ever say we've done enough.

Mr. Bisson: You must be aware, as probably most of us are, that casinos operating in Ontario have a habit of trying to attract certain clients back, especially larger player clients. How do you feel about that, and is there work that needs to be done at the board to try to rein that in a bit?

Ms. McGraw: You can be of two minds on that. It's a wonderful marketing tool. It's not guaranteed that it is a problem. When it is a problem, have we done enough on it? There's the discussion of sending out information on the help that's available to frequent gamblers, gamblers who would use the priority passes and things like that, and while that's a great idea in principle, there's also the question of the person's privacy that needs to be considered.

1130

Mr. Bisson: I agree with you on the privacy side, but I guess what I'm wondering is this: I've spoken to a few people from my own constituency who have problems with gambling. They get calls from the casino, saying, "Great big tournament. Here's a freebie," and wham, they're back at the casino again. They lose money they can't afford and they're back, saying, "God, I couldn't resist."

I'm just wondering, do you think there's more work that needs to be done by the lottery corporation to try to rein this in to a certain extent?

Ms. McGraw: Without doubt, there is more work to be done.

Mr. Bisson: Good. That's what I was looking for. I won't mention names, but I'm sure it will be greatly appreciated by some.

Are you aware of the win tax issue?

Ms. McGraw: With respect to?

Mr. Bisson: First Nations.

Ms. McGraw: Yes, I'm aware of the litigation, and I only have that because of the briefing I looked at prior to this. I don't have any particular information.

Mr. Bisson: What's your understanding of the background of all this?

Ms. McGraw: That the First Nations are litigating because they are of the opinion that their deal has changed. Is that correct?

Mr. Bisson: Basically, yes. I'm not going to get into the whole debate here, but let me ask you this question. I take it I already know your answer, but I'm going to ask it anyway. Would you agree with me that First Nations in Ontario are greatly underfunded when it comes to most of the services they need to operate?

Ms. McGraw: I don't think I want to comment on that.

Mr. Bisson: I certainly wish you would, and so would a whole bunch of First Nations people.

Ms. McGraw: I know, but I don't think I want to comment on that.

Mr. Bisson: I'm going to take this opportunity because it's an opportunity to put a marker in. This win tax issue is a big one. A deal was made with a previous government—it happened to be the NDP government—that the percentage of proceeds they would get on Casino Rama would be X. When the government came in under Harris, they changed that deal, and as a result we're talking about over a billion dollars in lost revenue to those communities. You've watched what happened last fall in Kashechewan. That's the story in just one community. Basically, it's the same story everywhere. This money goes a long way to providing infrastructure for communities, everything from water and sewer to roads to arenas; you name it. I just ask you to bone up on that one, because it's something that is greatly needed. I recognize you're not the one who's going to deal with the litigation, but I think you should be up on top of that. I take it the answer is, "Yes, I'll bone up on it," right?

Ms. McGraw: Absolutely.

Mr. Bisson: I thought so.

Again, this is not directly related to your appointment, but I'll ask it, and if you feel comfortable please respond; if not, I'll understand that you won't.

Increasingly, it's becoming a lot more difficult for community groups to fundraise. The rules, as you know, the regime of who can fundraise what and how much and all the rules tied to it, are really becoming a large problem for community organizations. Your views on that at all?

Ms. McGraw: My own personal experience with this is that it is becoming more difficult because there are many more people at the trough than there ever used to be. It becomes more difficult simply because there are more people asking. With respect to my own personal experience, as I said, the organization I'm involved with only looks to municipal licensing. That's about as far as I can go with that.

Mr. Bisson: I was going to end on this note, just to say to the government that something we need to look at at one point is how we change the rules to assist these groups. What we've got going on is that successive governments—municipally, provincially and federally, I would argue—have lessened the amount of money available to community groups—Les Chevaliers de Colomb, the Italian Club, whatever it might be. They're having to

survive on fundraising as a means to keep themselves afloat and keep their buildings afloat if they happen to operate a hall, a community hall or whatever. The rules are really making it difficult for these people to operate. I think that at one point, probably not this committee but another committee needs to look at that issue about how we change the rules to make sure the system is transparent and we deal with those who are trying to defraud the system clearly, but on the other hand we try to make it a little bit more user-friendly.

The Chair: Thank you, M. Bisson. Now to the government members.

Mr. Parsons: No questions. We're pleased with this nominee, thank you.

The Chair: Very good.

Ms. McGraw, thank you very much for your presentation and your responses to the members' questions.

Ms. McGraw: Thank you.

The Chair: Folks, we'll now move to the concurrence motions in the order that they appeared before the committee.

We will now consider the intended appointment of Richard Baxter, intended appointee as member of the Ontario Labour Relations Board.

Mr. Parsons: I would move concurrence.

The Chair: Mr. Parsons moves concurrence. Is there any comment or discussion? All those in favour? Any opposed? The motion is carried. Mr. Baxter, congratulations and best wishes on the OLRB.

Mr. Baxter: Thank you very much.

The Chair: Thank you for staying with us.

We will now consider the intended appointment of R. Michael Lauber, intended appointee as member, Smart Systems for Health Agency board of directors. We need a concurrence motion.

Mr. Parsons: I'll move concurrence, Chair.

The Chair: Mr. Parsons moves concurrence. Is there any discussion? Seeing none, all those in favour? Any opposed? It is carried. Mr. Lauber, congratulations to you and all the best in your new capacity.

We will now consider the appointment of Garry Minnie.

Mr. Bisson: I would move that we delay it till next week and bring it back before the committee. I ask that; it's not a motion.

The Chair: Mr. Bisson does have the ability. Under the standing orders pertaining to our committee, number 8, members do have the opportunity to ask for a delay in vote for seven calendar days. We are meeting next week, so this intended appointment will stand down and we'll have the vote in seven days at the next committee meeting.

We will now consider the intended appointment of Marlene McGraw, intended appointee as member of the Ontario Lottery and Gaming Corp. board of directors.

Mr. Parsons: I move concurrence.

The Chair: Mr. Parsons moves concurrence. Any discussion? All those in favour? Opposed, if any? It is carried. Ms. McGraw, congratulations and all the best on the OLGC.

Folks, as you may or may not know, members do have the ability to ask for a deferral of the vote, which we'll do in seven days' time, so Mr. Minnie—you're still here, which we appreciate—your vote will take place at the next meeting of the committee, which is Wednesday, February 22.

I did defer other business to the last part of the agenda. Do the members have any other business? They are looking anxious to leave their seats. Mr. Tascona?

Mr. Tascona: There was some discussion, and maybe we can have some discussion in the future on the subcommittee with respect to reviewing other agencies. I'd

just put that on the record so we can perhaps think about that for our next meeting. I know Mr. Bisson and Mr. Parsons are on the subcommittee, along with yourself, so I think it may be prudent to start thinking about that.

The Chair: Fair enough. Any other comments? Then that could be something we would discuss at subcommittee.

Any other, other business? Very good. Thank you very much, folks. This meeting will stand adjourned until 10 a.m. on Wednesday, February 22. Have a great day.

The committee adjourned at 1137.

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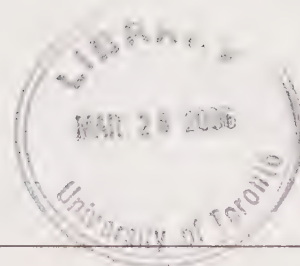
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Wednesday 22 February 2006

Journal des débats (Hansard)

Mercredi 22 février 2006

Standing committee on
government agencies

Intended appointments

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STANDING COMMITTEE ON
GOVERNMENT AGENCIESCOMITÉ PERMANENT DES
ORGANISMES GOUVERNEMENTAUX

Wednesday 22 February 2006

Mercredi 22 février 2006

The committee met at 1005 in room 151.

SUBCOMMITTEE REPORT

The Chair (Mr. Tim Hudak): Folks, I'm going to call the standing committee on government agencies to order for our regularly scheduled meeting. Good morning.

Mr. Gilles Bisson (Timmins–James Bay): Good morning.

The Chair: Look at the sophistication that Mr. Bisson has brought here to our committee.

Mr. Bisson: Just me, or the computer?

The Chair: A little bit of both, I guess. We'll decide at the end of the day who's more impressive.

Mr. Bisson: The sophistication is, my glasses are broken.

The Chair: Folks, we do have some routine business to begin with. First is the report of the subcommittee on committee business dated February 16, 2006.

Mr. Ernie Parsons (Prince Edward–Hastings): I would move adoption.

The Chair: Is there any discussion? Seeing none, all those in favour? Any opposed? It is carried.

In the interest of time, I'm going to move other business to after our interview process and the concurrence votes. Seeing no objections, I'll go ahead and do that.

We do have a deferred vote concerning Garry Minnie to the ARB, which I'll propose that we do just before the concurrence votes.

We'll proceed with the interviews at this point in time.

INTENDED APPOINTMENTS

VINCE BUCCI SR.

Review of intended appointment, selected by official opposition party: Vince Bucci Sr., intended appointee as member, Health Integration Network of Hamilton Niagara Haldimand Brant.

The Chair: Our first interview is with Vince Bucci Sr. Mr. Bucci, please have a seat and make yourself comfortable. You're welcome to make some opening remarks about your background and your interest in this position. We follow a rotation basis for questions from the members of the committee. Today we're beginning with the third party. Mr. Bucci, the floor is yours.

Mr. Vince Bucci Sr: Thank you very much, Mr. Chairman. I do have a couple of words.

Thank you for giving me the opportunity to appear before this committee to discuss my qualifications and what I can bring to the LHIN board.

A cursory examination of my resumé shows that I am an educator who has had great interest in the health field, evidenced by the variety of boards and committees that I've sat on, such as district health council, mental health, ambulance, long-term care, health unit, hospital and hospital foundations.

My experience as a former chief negotiator, first on behalf of 500 OSSTF members, then for two management organizations—the Catholic school board and the Brant County Health Unit—is a skill set that would be an asset to the LHIN board as it attempts to deal with various health sectors, such as home care, hospitals and support programs, and as it attempts to deal with all the towns and cities under its jurisdiction.

My nine years as a grievance officer and as a city councillor make me an excellent advocate for patient care, with the knowledge and experience of balancing those needs with those of the whole region that the board will oversee.

My ability to work with people of different views and backgrounds can be demonstrated by my successful chairing of a provincial task force, during the Bill Davis era, whose mandate was to respond to former Deputy Prime Minister Erik Nielsen—the Nielsen report section that dealt with multiculturalism.

I take great pride in having established and been the president for 20 years of Immigrant Settlement and Counselling Services of Brant. This agency had representation from 24 countries. A key program was the mental health services that we provided to first-generation Canadians. A tenet of mine for this not-for-profit organization was to run it like a business. You can imagine, then, how proud I was when, in 1985, I received an award of excellence from the Expositor, our local newspaper, and then, in 1990, the Brantford Chamber of Commerce recognized our agency with the Business Excellence Award.

As a city councillor, my experience in taking legislation or bylaws from the theoretical to the practical, such as the merging of three district health councils into one or restructuring the governance of the city of Brantford or the establishing of a public rating system for food

premises, will make me an effective member as the board implements the Local Health System Integration Act, 2006.

The last two points that I want to touch on briefly to illustrate my ability to effectively contribute to the LHIN board are my leadership skills and my ability to find solutions to problems. The former point can be demonstrated by the numerous boards and committees that I chaired, and the latter can be shown by the many solutions outlined in my resumé, such as the problem of the 205 D beds that our municipal long-term-care facility faced.

During most of my adult life, I have been privileged to hold positions, both paid and as a volunteer, which have allowed me to make a difference in people's lives. The responsibilities of members of the LHIN board are huge, because their decisions will make an impact on all of us. The prospect of contributing to the success of the LHIN board by joining my skill sets with those of the other board members is something that I would look forward to with great enthusiasm and dedication.

Thank you for giving me this opportunity to address you.

1010

The Chair: Thank you, Mr. Bucci, for your opening remarks and expression of interest in serving on the LHIN. We begin any questions or comments with the third party. Monsieur Bisson.

Mr. Bisson: I looked at your resumé yesterday in detail, and I'm glad to note that you have a pretty good wealth of experience in regard to health: mental health, community health, institutional health and long-term-care institutional health. I'm normally the guy who sits here in committee and says they're mismatching people to particular boards. On this one, I'm going to take the opposite position and say that you seem to be very well matched to where you're going. The couple of questions I have are just about where you're coming from philosophically.

I see you have quite a bit of experience in various parts of health care, and I think that would bode well for where you're going. There are a couple of pointed questions I want to ask you. The first one is your view on the role of the private sector in the health care system. Are you in favour of an increased role for the private sector in the health care system, yes or no?

Mr. Bucci: I don't think there is a yes-or-no answer. I believe philosophically in whomever can provide the best care. My experience with not-for-profit organizations has been very positive. They have done as good a job as anyone could ever do. So I would be extremely cautious to go down the road of privatization, simply because my personal experience has been that they've been very positive.

Mr. Bisson: Positive on the public side, I take it?

Mr. Bucci: Yes, not-for-profit. I think the key is, are they committed to patient care? For me, that's the ultimate component.

Mr. Bisson: I ask the question because there are two things happening at the same time in our country. We

have a Prime Minister who is really flirting with the idea of increasing the role of the private sector in the health care system and is about to jump into bed, as they would say, with Jean Charest in Quebec in regard to the increased role that province is finding towards privatization, and that worries me. Number two, under this legislation is the possibility of introducing private services in the health care system. So I ask you that question within that context.

The pointed question I would ask you is this—and I think you've already answered it, but I want to make it very clear on the record what your position is: Do you see yourself as somebody who would be willing to promote an increased role for the private sector within the LHIN system?

Mr. Bucci: No, I think you misunderstood what I said. I said I'm open. If there is a sound business case that agency A can provide better service than agency B, then I would consider it, but I'm coming to it from my personal experience, which says that not-for-profit organizations have always done as good as anyone else. So it would be extremely challenging for people to convince me to go down that road.

Mr. Bisson: So what you're saying is that in your experience the public model or the not-for-profit model has worked quite well.

Mr. Bucci: Extremely well.

Mr. Bisson: However, you would not close the door on allowing the private sector to come in and compete against those and win contracts and deliver services.

Mr. Bucci: If a sound business case was brought forward, yes.

Mr. Bisson: That, to me, is troubling, just so you know. Everybody's entitled to their opinion, but you've answered my question.

You alluded to something which I thought was interesting, and I want to understand what it was. You talked about the creative solution of the D beds. What is that all about? Explain that one, if you could.

Mr. Bucci: D beds are beds that are no longer acceptable to the ministry. There were 205 beds that were classified as D beds. The municipality—

Mr. Bisson: That would become unfunded? Is that what you're saying?

Mr. Bucci: If the municipality had not improved them within five years. The problem was that it was going to cost the city of Brantford \$32 million to proceed with the changes. I came up with the idea. Fortunately, there was an empty hospital that had been closed under Dr. Sinclair, a vacant building, and St. Joe's Healthcare was still interested in proceeding. So I approached city council that perhaps we should examine and do a feasibility study of whether we could end up turning over the 205 beds to St. Joe's, and St. Joe's would then take on the cost. It took about two years to convince not only my colleagues on council but also my colleagues in the county of Brant, but I'm glad to say that that long-term-care facility is open and running extremely well.

Mr. Bisson: The other one is just a comment, and then maybe just your thoughts afterwards. I don't know if this is going to happen, but I know within agencies there's a certain fear that they may get less attention than they want to get when it comes to funding, and the attention they need in order to properly support their needs as agencies, for example, in the mental health field.

I have a sister who's schizophrenic and who relies on the Canadian Mental Health Association to provide services to her. She's part of an ACT team, where they basically go in and make sure that she's always taken care of. So from a personal point of view, I'm preaching from my own experience, and that is that the people who often tend to be lost in our society are those who are least able to protect themselves, and unfortunately, a lot of people in the mental health end sometimes get forgotten.

There's a bit of a fear within the mental health system that the LHIN system itself is not going to bode well towards really doing the kind of work that needs to be done to expand services into communities, because we're not penetrating the communities far enough to be able to pull people into the mental health field. Your thoughts, your experiences—because I know you were involved in mental health counselling. You're coming to this from what perspective?

Mr. Bucci: I think I agree with you that there is that challenge when you're a small agency, as we were. To go right back, I came up with the idea when I became president of Immigrant Settlement Counselling. We did research, and then it took us five years to convince the Conservative government at the time that there was a need for mental health with first-generation Canadians. It was always a challenge to continue demonstrating that, until the district health council came up with a plan whereby the four different mental health programs in the city of Brantford were going to be united under one. I negotiated that on behalf of our agency, and we got assurances in writing that all our programs and the way we carry out our programs were going to be met and agreed to. That's when we closed our doors.

Mr. Bisson: One last question in regard to ambulance services, because I note you were involved in the whole issue of ambulance services. There's some dialogue I've been having with communities in regard to uploading the social services off municipalities. I think, as a municipal councillor, you will agree there are too many services that both federal and provincial governments have transferred on to municipalities. Quite frankly, they don't belong there, I would argue—a whole bunch of them on the social service side.

On the ambulance side, one of the arguments I'm hearing from some of the municipalities is that ambulances are best served by being controlled within the emergency service of the region. Therefore, if you were to do a complete upload of social services, the offset would be to keep ambulance services at the local level. Your thoughts about that?

Mr. Bucci: Right now—

Mr. Bisson: Because of the integration of fire emergency.

Mr. Bucci: I think the dispatching system that exists right now, which takes care of the LHIN board region, has not always worked out well. It's been a very frustrating thing for us, because the people in dispatch are not familiar with Brantford, are not familiar with the county of Brant. There are some streets in the city of Brantford and the county of Brant that have similar names, and quite often the ambulance has gone to the wrong place. So that has been brought forward by us in the past through the chair of the ambulance to the ministry at the time.

Mr. Bisson: That wasn't my question, but I think I'm out of time.

By the way, we dealt with that. We changed all the street names in the city of Timmins. After 90 years of having street names like Main Street and Golden Street, they changed them all, because there were three different Mains within our territory. It's one of the ways of dealing with it.

1020

The Chair: Thank you, gentlemen. We now move to the government.

Mr. Parsons: We have no questions regarding either qualifications or ability. We're pleased to support it.

The Chair: To the official opposition.

Ms. Laurie Scott (Haliburton–Victoria–Brock): Thank you, Mr. Bucci, for appearing here before us today and for all the work you've done in the past and your qualifications.

I have a couple of questions about the process when you applied. How did you find out about the opening in the LHIN? How did you apply to be a member of the LHIN board of Hamilton Niagara Haldimand Brant?

Mr. Bucci: I downloaded the information from the Web. It was fairly well known that this was a new initiative. I read about the general scope or the basic philosophy behind it. I thought it would be an interesting board to sit on because there are numerous challenges facing that board. It also was of interest to me because, as I understand the bill—I haven't read the bill—the primary goal is patient care, and everything else will be addressed from that particular perspective. To me, that seems to be an area I'm really interested in, and so I applied.

Ms. Scott: Did you speak to anyone in the interim? Just to clarify, are you the gentleman who was the campaign manager for Dave Levac in Brant riding?

Mr. Bucci: I was, yes. But I applied, as I indicated, from the Web. I spoke to David regarding my application after I had received a call from—I don't recall the name—

Ms. Scott: That's okay.

Mr. Bucci: —indicating to me that my name was going forward to the cabinet and that I had some forms to fill out regarding a security check. It was only after that that I spoke to Dave about it. That's about it.

Ms. Scott: Are you currently a member of the Liberal Party, either provincially or federally?

Mr. Bucci: Legally, I'm not a member of any party right now, either provincially or federally, but I should tell you, to be totally candid, that I have been a member of the Liberal Party for the last two decades. Before that I was involved and played a small role in electing Phil Gillies, a member of the Conservative Party here in the mid-1980s. When I graduated from university, I had a membership in the NDP.

Ms. Scott: You've had long involvement in your community. What kind of preparations did you do for today's meeting? Do you know other members of the LHIN board? Do you know the chair or the CEO?

Mr. Bucci: No, I don't. I haven't spoken to anyone. I would not presume anything until, hopefully, this committee ratifies me.

Ms. Scott: You represent a very large area.

Mr. Bucci: I'm sorry?

Ms. Scott: You represent a very large area—the LHINs do—as a member sitting on the board. Do you see any change in services you'd like to see in the area? How do you feel about some amalgamation of the services that might exist, which the LHIN board has the authority to do, as in moving certain procedures to one hospital and removing them from another? I just wanted to get your take on your LHIN, the size of your LHIN and a possible change in services that might come about because of the LHINs.

Mr. Bucci: One of the things that also attracted me to this committee is, as I understand it, that there's significant consultation with the citizens at large. I can tell you from experience that I chaired a committee to try and bring a civic square in our city, and it took two years of consultation before we got to the point where there was an election, and they still haven't done anything about it.

The consultation component is very attractive to me. I would answer you by simply saying that I would be looking to the people at large. What impact would this have? How is this better for the patient; for example, an elderly person who doesn't speak the English language? I come to that with personal background, knowing a lot of people. If you have only one facility, say, in Niagara, how does this individual, an elderly person, get to Niagara for that service? I guess my answer is, as I said to Mr. Bisson, that I look forward to a sound business case—that's what I referred to in my introductory speech—and meeting with the citizens at large and the health providers before I went down any road.

Ms. Scott: What I'm trying to get to is that the provincial government, the Minister of Health, by OIC, appoints these individuals. You're making major decisions for health care delivery in your regions, yet the public has no way of holding the LHINs accountable for the services. It's a top-down procedure.

Mr. Bucci: No, I see it the opposite way.

Ms. Scott: What can they do if they don't like a decision? Do you think there's going to be enough of an appeal mechanism for them?

Mr. Bucci: With all due respect, I see it as bottom-up. I see patient care being the primary concern of the LHIN

board members. I'll give you an illustration that occurred. When Dr. Sinclair came to Brantford and recommended the closing of St. Joe's hospital, 33,000 adults out of 80,000 signed a petition saying not to closing the hospital. If something of that nature were to occur again, I would not be in favour of closing something. In other words, as I understand it, the patient and the dialogue are the guiding principles that are to assist you in making your decisions.

Ms. Scott: Just to let you know, under certain sections of the LHIN bill, the minister actually has the power to close hospitals.

Mr. Bucci: I just gave you that as an illustration. You were saying the integration suggests that you're going to reduce the number of facilities.

Ms. Scott: But he didn't have that power before and now he does, even over the LHIN boards. He can listen, and I'm sure consultation—you would be a strong advocate on the LHIN board, but I just wanted to let you know that the power of the minister is that he can close down hospitals. He can say he consulted the LHINs, but he has the ultimate power for that. I want you to bear in mind that it is a power he has that he didn't have before.

The Chair: One minute.

Ms. Scott: I've got one minute left. You've been a fundraiser before; you've been on the foundations. Also in this bill, the minister has the power to move: If a foundation has given money or they've raised money and bought equipment, he can actually move it from one hospital to another. So he could move an MRI or a CAT scanner that the community has raised money for and put it in a hospital, say, in Toronto or some other area of the province of Ontario. He has got a lot of power, again, and this is with the foundations. I know you've raised money before, and I just wanted to know if you have any comments on that.

Mr. Bucci: Actually, I had direct experience in this regard. When St. Joe's closed, I was president of the foundation. We had roughly \$4.5 million in assets. First of all, there are huge legal implications. I don't know if you've examined that, but there are phenomenal—

Ms. Scott: This actually removes them. He can just do it. He doesn't have to go to court, like in other provinces—just to make you aware of what's in the bill.

Mr. Bucci: You don't? Okay. My basic principle is that if someone wanted to give money to A, they would have given it to A. That money, unless the foundation—in fact, we looked at the possibility of trying to return all the money to the people who had donated it, rather than transferring it to someone else because we did not want to presume that with the money that had come to St. Joe's it was necessarily the intention of the donor to go to someone else. That would be my position.

Ms. Scott: That's not how the power stands in the new bill.

Mr. Bucci: I understand that.

Ms. Scott: I just wanted you to be aware of that.

The Chair: Thank you very much, Mr. Bucci, for your presentation and responses to the members' ques-

tions. We're going to move on with our other intended appointees, but you're welcome to stay here. In about one hour's time we'll have what's called the concurrence votes. Members will vote whether to agree with the appointment or not.

1030

STEPHEN KYLIE

Review of intended appointment, selected by official opposition party: Stephen Kylie, intended appointee as member, Central East Local Health Integration Network.

The Chair: Our next intended appointee is Stephen Kylie. Welcome. I was just reading through your bio here. Mr. Kylie hails from Peterborough, Ontario, and is an intended appointee as member of the Central East Local Health Integration Network. You've been kind enough to be here in attendance, so you've seen how the committee works. You're welcome to make an opening presentation. Any questions this time will begin with the government members. The floor is yours.

Mr. Stephen Kylie: Thank you, Mr. Chair. I do have some introductory comments.

It's my pleasure to be here with you today to address this committee. There are two basic reasons why I let my name stand for an appointment to the Central East LHIN. Firstly, I feel that the creation of the LHINs throughout Ontario can provide an opportunity for real grassroots solutions to Ontario's health care challenges by exploring appropriate integration of services and delivery in the most cost-effective manner. With my background, I very much want to be part of such a process.

Secondly, I wanted to be in a position personally to provide input into the decisions that the Central East LHIN will be called upon to make. It is critical that all the stakeholders in the delivery of health care be given reasonable opportunity to contribute to this process and be satisfied they are fulfilling a role.

I feel that with my skills, qualifications and background, I am in a position to contribute in a material way to the success of the Central East LHIN. I have practised law for 26 years in the city of Peterborough and have broad experience in corporate and business law, including acquisitions, restructuring, amalgamations, partnerships and joint ventures. I have also been involved in significant business and strategic planning both for non-profit organizations and private corporations.

I have been very active on boards of trustees and boards of directors for various health care organizations in Peterborough, and also on the board of the Catholic Health Association of Ontario, which has more of a provincial mandate.

I have been a member of the board of directors of Marycrest Home for the Aged, a long-term-care facility, for approximately 20 years and have been chair of the board for most of those years, recently stepping down as chair this past year but continuing as a board member. While on the board of directors for Marycrest, I was involved in the management of that facility, but was also

instrumental in the design and construction of Marycrest at Inglewood Seniors' Residence, a rent-geared-to-income project under the Homes Now program, which arose out of significant strategic planning that Marycrest had undertaken.

As chair of the board of directors of Marycrest, I was very involved in concluding a partnership with Anson House, another long-term-care facility, to combine our beds under one governance, now known as St. Joseph's Care Group. St. Joseph's Care Group eventually entered into a unique partnership with Sir Sandford Fleming College in Peterborough, resulting in the construction of a new long-term-care facility on the campus of Fleming college known as St. Joseph's at Fleming. St. Joseph's at Fleming was the first of its kind and has since become a model for other post-secondary institutions with a desire to partner with a long-term-care facility or other health-related organization. St. Joseph's at Fleming offers a new and state-of-the-art home for our residents, but it also offers educational opportunities for the Fleming students, including those enrolled in nursing, recreational therapy, technology, horticulture etc.

I was also previously a member of the board of directors of St. Joseph's Health Centre in Peterborough for approximately five years. During that period, the health centre entered into a unique joint service model with Peterborough Civic Hospital, with a view to rationalizing service between the two facilities and to ensure that the best care was delivered in the most cost-effective manner. This joint service partnership proved to be a model for the rest of Ontario, and was completed without being compelled and before the creation of the Ontario Health Services Restructuring Commission, which of course later ordered that St. Joseph's Health Centre and Peterborough Civic be merged into one facility, now known as the Peterborough Regional Health Centre. I was involved in the transitional planning that led to the merged hospitals in Peterborough.

I am on the board of directors of three of Peterborough's four electric corporations, which were put in place following the deregulation of the electricity market in Ontario. As a member of these boards, I have experience in strategic planning and have been involved in pursuing partnerships and joint ventures.

As an active volunteer in the city of Peterborough, I have had the pleasure of chairing and being responsible for the planning and delivery of large-scale events. In this regard, I was the chair of the 1998 Ontario Winter Games in Peterborough, the 1998 Ontario Winter Games legacy fund committee, Peterborough's bid to host the 2001 Canada Summer Games, Peterborough's bid to host an Olympic youth camp in co-operation with the city of Toronto's Olympic bid and, most recently, chair of the mayor's centennial celebrations committee.

That concludes my opening comments. I'd be pleased to answer any questions from the committee.

The Chair: Thank you very much for your opening comments. Any comments or questions from government members?

Mr. Parsons: Yes. I do want to clarify something that I think is related to this question with LHINs. The statement has been made earlier in this committee meeting that Bill 36 gives the minister the power to close hospitals. In fact, the minister already has the power. All previous ministers have had the power to close hospitals. What Bill 36 does is restrict the power of the minister to close hospitals, in that the minister can close a hospital if, and only if, the local LHIN recommends it. It in fact puts in a restriction; it adds due process rather than opening up the possibility of a hospital closing.

No further questions.

The Chair: The official opposition. Ms. Scott.

Ms. Scott: Thank you, Mr. Kylie, for appearing before us today. I commend you on all your community service. There were two pages of all the things you've done for your community and recognitions you've received. I'm in your neighbouring riding of Haliburton–Victoria–Brock, and you're included in the LHIN that we have.

I see my colleague from Durham has arrived. He likes to say that the LHIN encompasses everything from Algonquin Park to Queen's Park, it's so large. It is the largest LHIN, and it has some challenges. Certainly I've heard from my smaller hospitals in the north, in Haliburton—and then we have the hospitals in Scarborough—concerns about their health care services and the delivery that may have impact on their communities.

I guess we can start off with that, saying that you've been in the community a long time, you've been very involved in the amalgamation of the hospitals and, I'm sure, in the building of the new hospital in Peterborough. Do you have specific areas in service delivery that you've heard might change—I think of orthopaedics to start off with—or some centralization that you think may be coming to our LHIN for services that are provided?

Mr. Kylie: I think it would be a little bit premature to comment on those kinds of issues. I would defer to the creativity of the new LHIN board to work out whatever services can be rationalized. I do know from being involved in that joint service agreement in Peterborough that there is significant opportunity to look at rationalization of service.

Ms. Scott: So nothing specific as yet.

Mr. Kylie: No. I might have personal thoughts from having been on a long-term-care board for 20 years, but again, I would defer to the skill set of the LHIN board and their staff.

Ms. Scott: Mr. Parsons and I disagree on the power that the minister has here, but according to my research, under this bill the minister does have the power to close and amalgamate hospitals. He has not had that power since 1999, but we can debate that otherwise. We feel—and certainly you've heard in our local communities—that it's decentralization of the power from the local communities. You may or may not know some of the LHIN members. Do you feel that the community is going to be consulted enough? Your opinions may be about what kind of physician consultant boards you might like to have to give input to the LHINs so that there is more

community involvement and you'll hear from the community, and thus you can make decisions for delivery of health care.

Mr. Kylie: I know the chair of the board, as you do, Ms. Scott, and I've been involved in many of his public presentations already. They are geared towards public input and comment. I don't see that there will be a problem in that regard. I think that if our nine-member board is representative of the entire geographic region, it will make it easier to reach out to the community. But I have the utmost confidence that we'll be involved in community feedback programs.

Mr. John O'Toole (Durham): Welcome, Steve. Good to see you. Just a couple of things: We, as members, are getting a lot of feedback on some of the concerns about Bill 36, which will implement the LHINs. I feel that the definition of local health integration networks, the LHINs themselves, is kind of an oxymoron. They're anything but local when you look at the Queen's Park to Algonquin Park Central East area that you will be serving. I have no doubt that your intentions to bring as much voice as possible to the concerns of Peterborough and the whole LHIN area are good. I know the persons involved myself, many of them on a personal level, and I'm here out of respect for your willingness to stand for this.

I just want to know how much you actually understand about the empowering legislation. Section 28 and section 36 of the bill are quite onerous in terms of their dealings with the profit and not-for-profit sectors and the ability of the ministry and the ability, to some extent, coming from the boards to make decisions to rationalize and amalgamate service, putting under threat some of the not-for-profit sector that you were involved with in long-term care. That's a very important issue that needs to be clarified. What would your position be on those attempts to rationalize service, specifically in any of what we call the public, not-for-profit sectors?

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Mr. Kylie: As I mentioned before, I think it would be premature to really file any personal comments, because I would defer to the expertise of the LHIN board. Personally, I would not be very supportive of any programming or service that's going to jeopardize levels of care for Ontario residents.

Mr. O'Toole: The same applies in those two sections I mentioned, one of which was the competitive bidding model. One of the members from the Liberal caucus—the member from Hamilton Mountain or Stoney Creek, I think—made the well-intended comment last night that she's supportive of this because of the damage that we did, theoretically, under the formation of the CCACs. But this bill does exactly that. There's quite a good article in the Sudbury press, I guess it was on Monday, indicating that these are identical. This is a competitive bidding model; I guess, value for money or whatever way you want to frame that. What's your position on that whole idea that this is an exact copy of the competitive bidding process, where the LHINs will in fact contract services?

Mr. Kylie: I'm not really in a position to compare the two. I am very optimistic about what the LHINs can accomplish. They're probably going to be faced with some tough issues, including profit versus non-profit care. Each of those issues is going to have to be deliberated on by the board, in conjunction with the staff, to work out the best and most appropriate model for that LHIN, with patient care, resident care, appropriate levels of care being the paramount consideration.

Mr. O'Toole: Getting to that at a little deeper level, what's your opinion of the current CCAC in Peterborough in terms of providing community-based support services? Are they doing a good job or are they not?

Mr. Kylie: As someone sort of looking from the outside in, being on the board of a long-term care provider, I think that they've been delivering a very valuable service, but I think there are some aspects of what they do that can cause frustration to the health care providers. But generally speaking, they're meeting a need.

Mr. O'Toole: The only thing I would like to say is that most of these cases, my feeling is that the minister—not you specifically, but the minister, in his one-hour speech last night, a very eloquent speech; I don't know how accurate it was, but it was eloquent. The point he was making, technically, is that these are going to be non-partisan appointments. Do you have any direct affiliation? It's a rhetorical question, because I kind of know the answer, but with the appointment process, everybody brings a certain amount of expertise to many tables. Do you know George personally?

Mr. Kylie: No, I don't.

Mr. O'Toole: How much does this actually pay?

Mr. Kylie: My understanding is that the typical board person gets a per diem rate, and clearly that per diem rate would suggest that I'm not in this for the money.

Mr. O'Toole: Thank you very much.

Ms. Scott: I just have a minute left but I wanted to ask a question, because John and I have worked a lot in moving forward the Peterborough hospital and trying to get it done on time and to service all our constituents. It's going to be a big service centre. You've been a fundraiser in the community; you've been involved. Do you understand that this bill is going to be able to take donated money—I know that our area certainly raised a lot of money, for example, for the heart catheterization lab that went in. There were a lot of communities involved in raising money for that. What's your comment? Do you feel that the minister could just move money over without any consultation with the public and without any court intervention?

Mr. Kylie: I've been through the bill once or twice, although I understand that there are numerous amendments that are coming down that I have yet to see. When I read the bill I recognized the authority of the minister that's in the bill. I would have made the assumption, although I didn't do the legal research on this, that the minister had some of those powers before. The way I interpreted the bill was to give the minister the ultimate authority to bring unco-operative parties together. I've

seen it happen before where you have a rationalization plan worked out that meets the needs of the community and makes eminent sense, but one of the partners isn't all that willing and co-operative to come together. The way I read the bill would be to give the minister the final say to break that deadlock and to say, "This is a good plan for this community. Let's bring the partners together." I hope it would never come to that, because I have complete faith in the ability of this LHIN board and the staff to work out those rationalization or integration models.

Ms. Scott: Okay. Well, I hope it's interpreted that way and does become that way. I just wanted to thank you for being willing to sit on the board, and I commend the other board members. I do know a lot of them personally. They're there for the right reasons—

Mr. Kylie: Absolutely.

Ms. Scott: —and I hope that you're given the authority to make some good decisions. Thank you for appearing here today.

The Chair: For the third party, Mr. Bisson.

Mr. Bisson: Thank you and welcome to our committee. I just have a couple of questions. I've been going through your resumé. I read it yesterday and looked at it again today. You certainly have some experience in the health care field, so that bodes well, hopefully, for where you're going.

Just your thoughts in regard to this whole debate that's ensuing nationally and provincially around the increased role of the private sector in the health care system; your views?

Mr. Kylie: I've spent a lot of time working in the non-profit sector, and in those 20 years I have felt that the profit and non-profit sectors can work co-operatively together. But again, in terms of whether the question relates to privatization, I would be very concerned about any model that would jeopardize the level of care in Ontario. I think we have to look at any reasonable model that will give us equity and balance in the delivery of health care in Ontario.

Mr. Bisson: For example, one of the things the current Prime Minister was musing about during the last election—I think he did far more than muse; he probably proposed it—is jumping the queue. If you can't get a hip replacement, it's not a problem. If you've got a little bit of extra money, pop to the front of the list: Go a private clinic. Do you think that's a good idea?

Mr. Kylie: Again, I think that I would defer in terms of the structure of the LHIN board to work on issues like that, but personally that is not equitable delivery of health care.

Mr. Bisson: Just for the record, if we start going down that road, I think you know as well as I do where we'll end up. It will become far more profitable for doctors to work outside the system and therefore charge patients. It means that there will be less money in the public system and you'll have to wait that much longer. I really worry about any further integration of the private sector into the health care system, because it brings us closer and closer to that. That being the case, what are your views in

regard to an increased role for the private sector within the LHIN process that you're going to be going through? Do you think there is a larger role for the private sector to play?

Mr. Kylie: I think there is a possibility for both the profit and non-profit providers to play a role in the delivery of health care. To what extent remains to be seen.

Mr. Bisson: So you're not averse to the idea of the private sector playing a role within the LHIN system.

Mr. Kylie: I'm not averse, as I mentioned before, to the delivery of any health care system or product that maintains an equitable health care model in Ontario for our residents.

Mr. Bisson: Just on the broader issue of the work that the LHINs will do—you've read the legislation. We can sit here and debate the pros and cons, and I'm not going to go through that. I just want to go to the philosophical approaches; that is, you're going to be asked to oversee, along with your other board members, basically the health system in your area, trying to balance off the needs of the mental health sector with those of the long-term-care sector, the community care sector, the institutional sector etc. It's a bit of a balancing act; even the ministry has difficulty at times doing that. One of the things that I'm hearing from agencies—this is their view and I'm sure this has been raised with you—is that there is a little bit of a fear that a LHIN could become more institutionally driven or more community driven at the expense of one or the other. Your thoughts on that?

Mr. Kylie: As I said at the outset of my comments, one reason I let my name stand here is to ensure that all providers of health care in the overall health care delivery system in Ontario have a voice and are heard and are part of the model.

Mr. Bisson: Do you think it important that the province play a large role in making sure that there are some policy guidelines that LHINs have to follow when it comes to how we divvy up the health care dollars in a local area so that we don't end up in a situation where a LHIN all of a sudden says, "We're really community driven so we're going to really go on the community side," and as a result, some of your institutional services may fall down? Do you think the province should play a role in setting out a guideline as far as policy, making sure those kinds of things don't happen?

Mr. Kylie: In terms of the budgeting and the dollars, I think that's not really for me to comment on. But I would think that if there is a deficiency of service in the region I serve, I would be communicating that back to the ministry.

Mr. Bisson: My question and my argument is, do you think the province should still play a role in making sure that the overall principles of making sure the various sectors are cared for?

Mr. Kylie: That's not really for me to say, as someone willing to stand on the LHIN board. I think that's for the provincial government to determine. I will honour whatever mandate is given to us.

1050

Mr. Bisson: Well, that's interesting. Let's say all of a sudden there's a change in government and the mandate is to privatize the health care system. Would you honour that?

Mr. Kylie: Well, within reason.

Mr. Bisson: Okay. I'm just wondering where you're going. So you're not just going to—you still have your principles, do you?

Mr. Kylie: I can't pass the legislation and carry it out at the same time.

Mr. Bisson: Sometimes even we can't do that.

The other thing, just to touch on it quickly as well, is a follow-up to the last question. I'm just going to end on this. There's going to be a competition of sorts that's going to happen at the local level for people to be heard. Some people might like us to believe that the health care system is fragmented. I think it works fairly well together. What kind of things can you do as a board member to make sure that the various sectors in the health care system in your local communities are heard and not forgotten? What kind of things do you think need to be done in order to prevent that from happening?

Mr. Kylie: I think eventually we'll develop through that process, but contemplating this in the last couple of months, I think what I would do is immediately configure a local advisory board, just in the Peterborough area—that would be the area that I'm most familiar with—with representatives of acute care, long-term care, community care—just have all the groups there—and they can provide me with their advice and feedback in a very quick and orderly way. That would just be on a very localized basis. We'd also have to figure out how to accomplish that regionally as well.

Mr. Bisson: That's why I'm of the view that the LHIN boards themselves, at one point, should have been elected. At least that way you can get the LHIN board members as a community and say, "I don't like the direction you're going in." That's just my editorial comment, and with that I'll end.

The Chair: Mr. Kylie, that concludes the interview process. Thank you very much for presenting and responding to the members' questions. You're welcome to stick around. Probably in about 45 minutes' time or so we'll do our concurrence votes on the intended appointees.

Mr. Kylie: Thank you for your time, Mr. Chairman.

BALMUKUND PATEL

Review of intended appointment, selected by official opposition party: Balmukund Patel, intended appointee as member, South East Health Integration Network.

The Chair: Our next intended appointee is Balmukund Patel. Mr. Patel, welcome to the standing committee on government agencies. Mr. Patel comes from Stirling, Ontario, and is a pharmacist—

Interjection.

The Chair: There you go. Also, not only in Stirling, but he has practised pharmacy in Nairobi, Kenya; Dhahran, Saudi Arabia; and then—very daring—Chatham, Ontario.

Mr. Balmukund Patel: That's correct.

The Chair: Welcome to the committee. Make a presentation on your interest in the position and your background. Any questions will begin with the official opposition.

Mr. Patel: Thank you very much. I'm very pleased to appear before this committee and thrilled to be nominated for the board of my local LHIN. My career as a pharmacist began around 1977 in England, after graduating with a bachelor of science degree from the University of Bath. I won't repeat what I've studied in my curriculum. I have been really involved in my community of Stirling and have gotten to know most of the health care professionals in my area, including staff of the access centre as well, but more importantly, many of the physicians, surgeons and specialists. I have seen health care evolve over the last 20 years here in Ontario from a pharmacist's perspective. I also had the chance to compare it to the way health care is delivered in the United Kingdom, where private and public systems coexist.

I think I have a unique perspective on our health care. I know it's not working perfectly, but it's working well, and obviously we need improvements. The changing demographics have placed a big demand on our services, and the lack of professionals obviously has made that worse.

I think I have a very unique perspective that I can contribute to the board. I'll just answer your questions.

The Chair: Mr. Patel, thank you very much for the opening remarks, and we'll begin any questions with the official opposition.

Mr. Joseph N. Tascona (Barrie-Simcoe-Bradford): Thank you for coming here today. I noticed, off the top, in your resumé application summary, that one of your references is MPP Ernie Parsons, who I believe is here with us today.

Mr. Patel: Maybe that was a mistake.

Mr. Tascona: Could you repeat that?

Mr. Patel: He's my neighbour. I've known him personally for a very long time, long before I supported him.

Mr. Tascona: I notice that you contributed \$150, I believe, to the Prince Edward-Hastings Liberal riding association. Is that correct?

Mr. Patel: That's correct. I have also donated to the Conservative Party as well, in previous years.

Mr. Tascona: I understand. Ernie couldn't get any more than \$150 out of you, I take it.

Mr. Patel: I don't think he needed any more, to tell you the truth.

Mr. Tascona: Did Mr. Parsons approach you, or did you approach him about this particular appointment?

Mr. Patel: I never approached anybody, actually.

Mr. Tascona: How did you end up here, then?

Mr. Patel: I ended up applying for this position because I received an e-mail from our pharmacy association saying that the district health commissions were going to be abolished and the local health integration networks were going to be formed. My perspective is that I have never seen any pharmacist take part in the development of our health care or have any input.

Mr. Tascona: You're telling me that you became aware of this from the pharmacy association?

Mr. Patel: Yes. I guess every health profession informs everybody about what's happening in every health care system.

Mr. Tascona: I'm just asking about you. You're saying that you were informed by the pharmacy association.

Mr. Patel: I received a general e-mail. I guess everybody got a notice about what's happening.

Mr. Tascona: I take it you consulted with Mr. Parsons before—

Mr. Patel: No, I never consulted with anybody.

Mr. Tascona: Let me ask you this: I take it you consulted with Mr. Parsons before you put him on your application form as a reference.

Mr. Patel: No, I did not.

Mr. Tascona: Interesting.

Mr. Parsons: I think the fact that I'm here proves that.

Mr. Tascona: On the local health integration networks, quite frankly, the government has been very slow with respect to implementing this particular process, Bill 36. You're going to be on there as a part-time member and director. Is that what you understand you're going to be?

Mr. Patel: That's correct.

Mr. Tascona: Do you have any understanding of what you're going to be doing?

Mr. Patel: Yes, I did meet with the CEO of the LHIN and with Georgina Thompson.

Mr. Tascona: When was that?

Mr. Patel: Just about a week back.

Mr. Tascona: A week ago. And what did they tell you?

Mr. Patel: I read about what they have been up to. They've obviously said that they want to meet with all the health care professionals from the hospital boards. They have already started that process.

Mr. Tascona: Did they tell you what you were going to be doing?

Mr. Patel: I hope to attend a lot of the board meetings in the area; for example, the hospital board meetings and things like that.

Mr. Tascona: No, no. What did they tell you you're going to be doing? You said you met with the CEO.

Mr. Patel: They said they encourage me to do that. Their schedule is to have a board meeting twice a month.

Mr. Tascona: Did they tell you what your role is going to be?

Mr. Patel: To tell you the truth, I don't really have any idea how this is going to work. I'm pretty green at it,

but obviously I have opinions about how certain parts of health care should be run and I'm hoping to make—

Mr. Tascona: Who is the CEO of the LHIN that you met with?

Mr. Patel: Paul Huras.

Mr. Tascona: So he had you in for a meeting?

Mr. Patel: Well, I suggested that I wanted to meet them. It's not that they asked me.

Mr. Tascona: So you set up the meeting with them.

Mr. Patel: Obviously, I wanted to make sure that I was going to be able to make a contribution before I went forward with this. In my mind, I had to be reasonably sure that I was going to be able to contribute. Otherwise, it would be pointless for me to go forward.

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Mr. Tascona: You submitted your application on April 8, 2005. You were interested in getting on the LHIN, I take it. That's what you were applying for?

Mr. Patel: That's right.

Mr. Tascona: So at that time, you didn't have any idea what you were getting into, I take it.

Mr. Patel: No. All I knew is that I wanted to take part in the process of the delivery of health care. I have perspectives from Kenya, where obviously we were very unfortunate with the health care system they have. I've also seen what private and public care have done in the United Kingdom.

Mr. Tascona: I fully understand your intentions. No one is suggesting here that your intentions aren't in good faith, and I respect that. When you met with the CEO—you really aren't any more familiar with what you're going to be doing now, I would take it.

Mr. Patel: I know that we have to make the system better. We need to get together with all the stakeholders to see where the problems lie, and hopefully try and address those problems.

Mr. Tascona: Did he tell you how often you'd be meeting as a member and a director?

Mr. Patel: I already mentioned that it would be twice a month, every other week. Besides that, I intend to attend other board meetings.

Mr. Tascona: I'm going to pass it over to my colleague Ms. Scott.

Ms. Scott: Thank you very much for appearing here today. Is Ernie a good neighbour? Should I ask that?

Mr. Patel: Well, he's a neighbour.

Ms. Scott: Okay. Well, we won't ask any more questions about that.

Mr. Patel: I've already mentioned that I've known him for about 10 or 15 years. I know him very well. He's a good friend.

Ms. Scott: I know a little bit about your area. I am actually a nurse and went to Loyalist College and worked at the Belleville hospitals in Napanee and Trenton as part of my practicum. You do have a big area—not as large as the area that I'm going to be part of in the LHINs.

Mr. Patel: It's extremely big. It may not be the biggest, but it is very big.

Ms. Scott: Do you know a bit about the services that are offered or some type of idea of where you'd like to see some services consolidated in the area? Can you comment in general on the health care delivery for the new LHIN?

Mr. Patel: From my own perspective and from what I hear every day in my practice, I know there are lots of bottlenecks of people needing timely care. Hopefully, the board is going to be able to make suggestions that will eliminate the bottlenecks and have quicker access. I know that the way you practise health care has changed quite a bit. We're doing more replacement surgeries than hemorrhoid treatments, for example. Obviously, replacements cost a lot more. We don't feel we have enough professionals, and there's probably a holdup because there's not enough money.

Ms. Scott: Yes, you do have big challenges, certainly, in the health care delivery of all the areas.

Mr. Patel: Those are the things that hopefully the LHIN, together with the other boards, the stakeholders, will be able to work out. I know that we have a very big shortage of family physicians. The hospital was not able to cover all the emergency shifts for the month of January.

Ms. Scott: We hear from a lot of people, like the Ontario Hospital Association, that hospitals don't have enough money. You're going to be in charge of juggling the demands of the health care services in the area. Are you familiar with some of the hospitals and their challenges? I know Ernie keeps very abreast of what's happening at—it's Quinte now, not Belleville General Hospital.

Mr. Parsons: Quinte Healthcare.

Ms. Scott: It's Quinte Healthcare now. There are some challenges there.

Mr. Patel: We have challenges, obviously. We are always running a shortfall in the budget because of the demands placed on it. There are not enough professionals, I guess. That's my biggest thing.

Ms. Scott: You said you've been Ernie's neighbour for 15 years. Have you been practising in the area for a long time?

Mr. Patel: I've been in Stirling since 1993.

Ms. Scott: I've got one minute left. I guess there's a lot of concern. You've heard some of our questions before about the power of the minister and that maybe the LHINs are going to be this new level of bureaucracy. I just wanted your impression of your role in interacting with the ministry and servicing the needs of your communities. Do you see this as maybe another layer of bureaucracy? How do you think this is going to be effectively run?

Mr. Patel: I don't think it's going to be another bureaucracy. I think, from what I understood with my meeting with Georgina and Paul, we intend to act pretty quickly. I don't think we want to make recommendations and have nothing happen. Obviously, in the past, many people have made reports, including Senator Kirby, and I don't know where that goes—

Ms. Scott: On the shelf.

Mr. Patel: They get left on the shelf. Hopefully, the board will be able to act in a timely manner. If they don't, then obviously there is something—I don't know how it's going to evolve, but my hope is that we want to act and we want to act quickly once we make sure that what we need to do is in consensus with everybody.

The Chair: That's the time, Ms. Scott. Monsieur Bisson.

Mr. Bisson: Just a couple of questions. You said something that kind of took me aback when you said it, and I just want to make sure I understood correctly. You put Mr. Parsons down as a reference on your resumé without talking to him?

Mr. Patel: I don't really have any problems with that. I have known him for a very long time, and I'm sure he'd speak well of me.

Mr. Parsons: I don't know if it's appropriate, but some years ago he asked if he could and I said certainly, just for anything.

The Chair: Sorry to interrupt—

Mr. Parsons: I don't want to make him look bad.

The Chair: Why don't we concentrate this time on discussions through the Chair to the intended appointee, and if there's discussion about this, we could save that for debate.

Mr. Bisson: I just raise it because from a professional standpoint—and you're a professional—you never put somebody on a resumé when you haven't gotten their authorization to do that. If he says you did, then you weren't truthful to this committee. That bothers me.

Mr. Patel: It's been a few years.

Mr. Parsons: On a point of order, Mr. Chair—

The Chair: Folks, maybe we could—

Mr. Bisson: It's my time. I'm making a point.

Interjections.

Mr. Bisson: You can make a point of order if you want, but it's my time.

The Chair: We'll discuss Mr. Patel's nomination in due course, so please continue.

Mr. Bisson: I raise it, and I'm a little uncomfortable raising it. I had no intention of speaking against your intended appointment, but it just bothered me when I saw that. You're a professional. I take it you did talk to him, I take it you did get permission, and you should have been forthcoming to the question when it was asked. We understand—and I have no problem with governments appointing their people to committees; I understand how that works. But a little bit more forthrightness in your answers would have been the thing to do.

Mr. Patel: I think I have been forthright.

Mr. Bisson: Don't get me going down this direction, okay? You don't want me going there. I've made my point and I'm moving on.

My question to you is this: In your answers to some of the questions, I wasn't too clear what your position was on the role of the private sector within the health care system. You've heard my comments to other members. I'm asking you the same question. Do you think that—

Mr. Patel: I'm hoping that if there is a role—

Mr. Bisson: Can I finish my question? Thank you. Do you think there's a need to increase the role of the private sector within the LHIN?

Mr. Patel: I don't know if I can answer that correctly, but if there were to be any privatization, I'm hoping the privatization will be in the form of technology and the people who supply the technology who are able to interpret the results. But I would prefer the health care professionals who look after patients to be in the public sector only, so that people who are providing the service are providing it on a public basis and the efficiencies can be brought in by technology.

I don't really want two separate systems where a physician is able to charge a person for a service and there's the other sector. The public is aware that you can go and—because I've seen what's happened in the UK, and I'm not really for that kind of privatization.

Mr. Bisson: That's where I was going in the end, but I just want to make it clear here. There is, as you know—and I've said it to other intended appointees—a debate ensuing in this country about increasing the role of the private sector in the health care system. My question is fairly specific, and I'm going to try it again just to make sure that we're clear: You believe there is a role for the private sector to actually deliver health care services. I'm not talking just information; I'm talking about hard services to patients. Do you believe there is a role?

Mr. Patel: I would have to say that public would be a better way to go. I'm not really for privatization.

Mr. Bisson: Excuse me. Say that again.

Mr. Patel: I'm not for privatization, a two-tier health care system, because I've seen what it's done in England.

Mr. Bisson: So let's say there was a proposal at a LHIN to go out to tender to provide a service—

Mr. Patel: What kind of service?

Mr. Bisson: We'll just take Meals on Wheels as an example, that there is an RFP to go out in regard to Meals on Wheels and we start soliciting the private sector to take over from what used to be done by a non-profit sector agency. Would you favour that RFP going out?

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Mr. Patel: If they can do it better, I think I'm not against it. I'm against a physician performing an operation on a person on a private or a—

Mr. Bisson: So if there are services, as you would say, soft services—meals, cleaning up homes, community supports—that can be done by the private sector and they can do it efficiently, you're not opposed to that?

Mr. Patel: Again, I think you'd have to weigh the benefits. I can't really just say it from—I think you'd have to look at every situation on its own.

Mr. Bisson: I think I heard you the first time. You're saying that if there's an RFP, you would not stand in the way. You wouldn't oppose an RFP going out.

Mr. Patel: What I'm saying is that if we have people who are going to be able to provide the MRIs or the X-rays and they're going to be able to provide the same service more efficiently without bottlenecks, that's fine. I

have a problem with a physician working, you know—I don't want two different kinds of hospitals.

Mr. Bisson: We can get into a debate; it does become two different kinds of hospitals if certain services are being done by private clinics and doctors are working in public clinics. Anyway, that's a whole other debate.

You were in the UK about 15 years ago, I take it?

Mr. Patel: That's correct. I've had the experience because my family is still there, and they have had some health problems and I've seen what's happened there.

Mr. Bisson: All right. The last question, I guess, is that there is in this legislation—obviously, the aim is to be able to, at the local level, start making some decisions as far as where we allocate funds in our health system locally. That means everything from community care to institutional care. There are people—and I've raised this before because it's been raised with me—who are worried within certain sectors of the health care system that they may be left behind. Do you see any way, at the local LHIN level, to make sure that there is a fair process, to make sure that community care is not in jeopardy of money going to institutional care, or vice versa?

Mr. Patel: I think by consulting with everybody, including the access centres, we are hopefully going to be able to come up with the right answers. But I don't really see how I can answer that, saying that we're going to privatize this or that without—

Mr. Bisson: Are you in favour of electing board members to the LHINs?

Mr. Patel: I really have no problems with that.

Mr. Bisson: This is my last comment and I'll just end on this: If you're going to go the way of the LHINs, in my view, I think one of the failures of this model is not to have an elected system. I can understand the government wanting to have some appointments on the boards, the same way we do with health councils and others, or public health units, but I really believe that you have to have some mechanism for the public to get at the board appointees, because the problem we've got now is that you're all intended appointees. I'm sure you're very honourable and you're going to try to do the right thing—

Mr. Patel: I think anybody could have applied for that position, to tell you the truth.

Mr. Bisson: I'm not arguing that you're not qualified; that's not my argument. My argument is—

Mr. Patel: No, I'm not saying about the qualifications, but any member from the public or anybody is free to apply for this.

Mr. Bisson: You can only get in if you get appointed by the government. That's how it works. So the point is—

Mr. Patel: However, I think the process is to apply first, and then you may be appointed or not.

Mr. Bisson: You're going to be appointed as long as you're friendly with the government. We know how the process works.

Mr. Patel: To tell you the truth, when I made the application I had totally forgotten about it. So it caught

me by surprise when I was even contacted by the ministry. I had never—

Mr. Bisson: My point—

The Chair: Mr. Bisson, you have about 30 seconds. Are you making wrap-up comments, as opposed to questions?

Mr. Bisson: My wrap-up comment is that I believe the board should be appointed. I asked you if you were in favour, and you said yes.

Mr. Patel: I think everybody's entitled to their—

The Chair: Okay. Thank you. We'll move to the government side. Mr. Parsons.

Interjection.

Mr. Bisson: I want to correct the record. I said "appointed." I meant "elected." Thank you, Monique.

Ms. Monique M. Smith (Nipissing): I'm just trying to help you out.

Mr. Bisson: Monique, we're northerners. We're always working together.

The Chair: Okay. Mr. Parsons has the floor.

Mr. Parsons: Just to clarify, in a community our size, everyone knows the only pharmacist in town, and if there's a gentleman whose ethics should not be questioned, it is the candidate before us. Quite some years ago—and I find I used to get annoyed at my father's poor memory. I now understand totally what he was going through. Three, four, five years ago, Mr. Patel asked if he could use me as a reference—I believe I said something to the effect of yes, as long as it's not in a nomination meeting against me or something, but just go ahead; I don't need to be informed every time. On that basis, his answer that he hadn't contacted me is correct, but your assertion that he had not asked permission is not correct either. It was just a blanket one given years ago.

Mr. Bisson: Thank you for clarifying. On that point, he should have answered the question.

The Chair: Again, the floor remains with Mr. Parsons.

Mr. Parsons: I have no questions, and I don't believe any of my colleagues do.

The Chair: Great. Thank you very much, Mr. Patel, for your presentation and response to members' questions. You're welcome to stick around for our concurrence votes, which will take place probably in about half an hour's time.

SUSAN WEATHERBY

Review of intended appointment, selected by official opposition party: Susan Weatherby, intended appointee as member, Simcoe county community care access centre.

The Chair: The next intended appointee is Susan Weatherby, intended appointee as member of the Simcoe county community care centre. Ms. Weatherby, welcome. I saw that you have been here. You come from Barrie, Ontario. I'm just scanning this. I see a reference to Athabasca University; your master's in nursing is in progress. Good for you.

You're welcome to make some opening comments about your background and interest in this position, and then we'll split up the time for any comments or questions from our members. If I'm following rotation, Mr. Bisson will have the first opportunity. The floor is yours.

Ms. Susan Weatherby: Thank you, Mr. Chair and members of the standing committee. I would like to thank you for the opportunity to meet with you in order to outline my career and life experiences. I am hoping that this will provide you with a sense of the appropriateness that my appointment would bring to the Simcoe county community care access centre board.

I was born and raised in the military life; yes, an army brat. This did provide me with an opportunity to live in a number of provinces, as well as overseas. I always had a desire to be part of the health care system, and thus completed my nursing diploma in St. John, New Brunswick in 1980. Upon graduation, I relocated to Edmonton, Alberta and remained in that province for 10 years. I was fortunate at that time to develop nursing skills in the critical care field. I then moved to the more northern community of Valleyview, Alberta, in the south Peace area, and worked as a community health nurse. Actually, I was the sole community health nurse in that environment. I was quite instrumental in developing many programs for that community, some of which are still standing.

In 1989, I moved to Ontario with my family, and after residing for one year in Orangeville, I moved to Barrie and have been a member of that community for 15 years. I've been an RN at both Orillia Soldiers' Memorial Hospital and the Royal Victoria Hospital, with the majority of my career being at the RVH. Believing in lifelong learning, I completed my bachelor of science in nursing from Laurentian in 2004 and immediately began my next journey in completing my master's in nursing through Athabasca University.

My current role has enabled me to enhance leadership skills, as well as developing skills in program planning and development. I have been the recipient of two RVH awards, the president's and chairman's awards, in recognition of implementing quality improvements within the units that I am responsible for.

Having had 25 years' experience in the health care field, I am aware of the current issues regarding our stressed acute bed situation and the shift to provide more services within the community. These services primarily are for acute care, rehab and continuing care, children's and seniors' programs, as well as programs for the cognitively impaired. I am also aware of these needs not only in my capacity as a nurse but as a wife and mother, a daughter to aging parents—I'm aging myself—as well as a community member.

As a new board member, I know that I will have a huge learning curve, but I do believe that my knowledge and experiences within the health care field and the community will be an asset. Professionally, I have been recognized for my ability to collaboratively develop processes, as well as being results oriented. I would love

the opportunity to support my community by serving in this capacity.

The Chair: Thank you for your opening comments. Any questions or comments, Mr. Bisson?

Mr. Bisson: I rather like the idea that you were an army brat. I was in the armed forces back in the early 1970s. What's your dad's name? Maybe I served with him.

Ms. Weatherby: Dallas Mason.

Mr. Bisson: Dallas? Oh, I knew a Paul Mason. Just a little bit of trivia.

Ms. Weatherby: He was there for 35 years.

Mr. Bisson: We'll talk later. Maybe we ran across each other.

First of all, I'm a big fan of nurses. Our eldest daughter is a nurse and about to become a nurse practitioner, so I'm a big fan of nurses and the work that you do. You've got me convinced just on that point.

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I just want to ask a couple of questions. You well know what CCACs are all about. I'm not going to go down that road. You obviously bring some experience to the appointment, so I think that's a positive thing. However, in the CCACs, the experience has been that there has been a lot of moving services out of the not-for-profit sector and into the private sector. In one case in our community, when CCACs were created, the Canadian Red Cross, which provided, I think, 75 years' worth of continuous services and community care, was basically pulled out and the work was given to a private, for-profit organization. Your view on that: private versus not-for-profit?

Ms. Weatherby: I actually also worked for Canadian Blood Services for a number of years and was there when it shifted from the Canadian Red Cross to Canadian Blood Services. I did realize at that point that it was very risky business moving towards—

Mr. Bisson: For-profit.

Ms. Weatherby: Yes, exactly. I think it is very risky, and I would have a number of concerns with a movement towards that.

Mr. Bisson: You're going to be seeing at the CCAC level requests for proposals come before you. Actually, you're going to have to determine what's in the request for proposals when contracts come due and new contracts need to be put forward for RFP. In your view, should we try as much as humanly possible to keep it in the public sector? Should we allow the private sector to compete or just ban the private sector from competing, if you had your druthers?

Ms. Weatherby: I would need a whole lot more information to make a decision like that. My first thought is to support the public sector primarily. But of course, things change, times change, situations change, and I would require a lot more information to make a decision.

Mr. Bisson: Do you have any experience with central placement coordination?

Ms. Weatherby: No, I do not.

Mr. Bisson: When people are in the community and end up in crisis, they will, from the community services or if they end up in an institution, be put on the list to get a long-term-care bed. That's what they call central placement coordination. Have you ever had any dealings with them at all as a nurse?

Ms. Weatherby: No, I have not.

Mr. Bisson: So I won't go down that road.

I noticed that you worked in a community health clinic, I believe. You were a director?

Ms. Weatherby: No, I was a community health nurse.

Mr. Bisson: Oh, you were the community health nurse.

Ms. Weatherby: Yes, the sole nurse in the community.

Mr. Bisson: Should we be emphasizing providing more services, trying to move some of our services from the institutional setting into the community? Your view on that?

Ms. Weatherby: Yes, I would totally support that. I know there was always a lot of care provided in the home by the family. There was a shift, all of a sudden over the years, to bring more of it into health care facilities, but I believe, as a community member and a family person, that families and patients want to have more of their care provided within their own home environment. That's their comfort zone, and I believe that process is needed, that transition, in the interests of community members.

Mr. Bisson: One of the challenges you're going to face as you go in, and what we're finding—and I think it's the same for all MPPs—is that the community care access centres are very cash-strapped as far as getting the dollars they need. The need is this big and the funding ability is that big, and the effect has been that we've been rationalizing services within those CCACs. What do you see as your role, if there is a funding shortfall, in trying to advocate for more funding? What's your view on that?

Ms. Weatherby: First of all, I think you have to prioritize. You have to find out what the needs of the community are; you've got to collaborate with the main stakeholders and find out what trends are happening. For example, the wait-list strategies we're implementing right now through the government—working with those and finding out exactly where the priorities are, and from that, moving on to see how you can provide the services within the resources that are allocated to that program.

Mr. Bisson: I guess what I'm asking is that often what happens is you don't have enough money. You've gone through that whole process and, at the end of the day, it's a dollars-and-cents issue. Do you think there's a role for a CCAC board to lobby to get more money, and if so, how?

Ms. Weatherby: I have not sat on a board, so I'm not quite sure how we go about that. It will be part of my learning curve, absolutely. I do see a role with the board. You absolutely have to advocate on behalf of the centre itself, and I see that as a role for them.

Mr. Bisson: One suggestion I would make is to work with your local MPPs from both the government and

opposition sides, because this is fast becoming a crisis in our communities. We're really lacking the resources to provide services for people in the community. We're starting to see people end up in institutions probably quicker than they need to be. I think you understand the result of that. The longer we keep people at home with support, the longer they're going to live and the better the health determinants will be as well.

I think I know who your father was now.

Ms. Weatherby: Uh-oh. He was a sergeant major, if that gives you any recollection.

Mr. Bisson: Was he part of the 3 RCR at one point?

Ms. Weatherby: The RCHA.

Mr. Bisson: No, it's not the same guy. We'll talk later.

Ms. Weatherby: Okay.

The Chair: To the government side.

Mr. Parsons: We're very pleased with the individual's qualifications, thank you.

The Chair: Mr. Parsons and gang are very pleased. We'll move to the official opposition.

Mr. Tascona: I appreciate your coming here today, Susan. I've got a few preliminary questions. How did you hear about this appointment?

Ms. Weatherby: Like my teenagers, I was surfing the Net and I came across—I believe it was the Ministry of Health website I was on, and there was a call for volunteers to sit on a number of committees. Via the Internet, I submitted my resumé and never heard a thing back. Months went by, and I forgot about it. Actually, I'm a member of the Ontario Metis association, and Kirk Hebner came by to speak to me. We were talking about a few things, and it came up that I had submitted this and never did hear any response. He left me with a name to contact, Jerry Haas. I contacted Mr. Haas and he forwarded me to another website, the appointments website, and I submitted my name to that.

Mr. Tascona: Okay, because I noticed that you submitted it November 28 of last year.

I understand that currently there's a chair and two members on the Simcoe county CCAC. Do you know who they are?

Ms. Weatherby: I had gone to the website and saw that it was Mr. Bell, but I actually understand that he is now moving on to a LHIN board, perhaps, so I'm not quite sure who the current chair is. But I know there are three other members: Mr. White, Mr. Scarth and Mrs. MacDonald.

Mr. Tascona: You're going to be a part-time member. As you know, the government's going to be reducing the number of CCACs from 42 to 14. Currently, the Simcoe county CCAC is part of the North Simcoe Muskoka Local Health Integration Network, which is headquartered in Orillia. Do you know how your role as a part-time member is going to impacted when they do the downsizing of the CCACs?

Ms. Weatherby: I'm aware that they'll be downsized because the numbers of board members currently in place

would have to be reduced. I would still be willing to serve in the capacity of a board member.

Mr. Tascona: But you haven't been told how it's going to impact your current appointment.

Ms. Weatherby: No, I have not.

Mr. Tascona: The changes with respect to the CCAC—are you familiar with the work of the Simcoe county CCAC at all?

Ms. Weatherby: Yes, I am, to some degree.

Mr. Tascona: What's your knowledge?

Ms. Weatherby: The Simcoe county CCAC actually works collaboratively with a number of stakeholders—the community, the service providers, the hospital—in the provision of care to residents of the community. As I said in my opening statement, they provide a specific number of services within the community: both adult and paediatric services, rehab and long-term acute care.

Mr. Tascona: Do you have any comment on what you think the major challenges are facing that corporation?

Ms. Weatherby: I believe one of the challenges would be funding. I know that the funding has not mirrored the increases. Although there have been injections of money, I don't believe that they are injections that have maintained programs that have been asked to be developed. I think one of the main challenges has been continuing financing or funding for these programs.

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Mr. Tascona: You've got a very good background in the health care field, obviously. What skills or expertise do you think you can bring to the board to make it the most effective it can be?

Ms. Weatherby: Besides my general nursing knowledge, I have had the opportunity to work as a manager, and have participated in program development, evaluation, auditing, review—all those sorts of processes—which I believe would be an asset.

Mr. Tascona: The board's size is relatively small. You've indicated today that the chairman, Mr. Bell, is going to be moving on to the LHIN. That would make about three members at the moment, and you'd be the fourth. Do you think that poses any challenges with respect to how it can effectively operate and successfully perform for the community?

Ms. Weatherby: In terms of corralling the group for a meeting, I don't think it'll be a challenge, because it's a smaller group. But I do believe that it puts a lot of responsibility on a small group in making decisions or making recommendations. I would like to see a little bit of a larger group to get more feedback and different viewpoints in order to come to an educated decision or recommendation on anything.

Mr. Tascona: Other than the funding issues that have faced the Simcoe county association, do you have any knowledge with respect to how effectively the CCAC served the residents of Simcoe county?

Ms. Weatherby: How I would effectively serve?

Mr. Tascona: No, how it has.

Ms. Weatherby: I believe that it has been very successful. Speaking in the capacity of a nurse at RVH, we

have been able to provide services in the acute field because we've been able to move patients from the acute care setting into the community, and that's been with the assistance of the CCAC. They keep the flow going. They have been very instrumental in that.

Mr. Tascona: In terms of RVH's relationship with the CCAC, are there any areas, do you think, where that can be improved, because RVH is the largest hospital in Simcoe county?

Ms. Weatherby: I'm not sure that there are any problem areas at this point. I believe they have an excellent relationship, and I would hope that would continue.

Mr. Tascona: Do you have any familiarity with the CCAC that's going to be merged with Simcoe county?

Ms. Weatherby: No, I do not.

Mr. Tascona: I think that's going to be a big challenge with respect to an area the size of Simcoe county. Then adding Parry Sound-Muskoka is going to make it a fairly large area. Also, there are going to be issues with respect to the allocation of the resources. Basically Bill 36 would appear to be taking that out of the hands of the CCAC. It's going to be in the hands of the LHINs, in terms of determining how much money the CCACs are going to get, with the final say of the Minister of Health, in that particular area.

It would appear to me that your role is going to be even more instrumental in terms of not only working with the LHIN, but also working with them through the ministry in terms of getting the proper funding for this particular area. Do you have any thoughts about that in terms of how best to deal with that?

Ms. Weatherby: As I previously stated, this will be a huge learning curve for me, because I have never functioned in that capacity before. I will actually need the cue from the other members of the board to assist with that, and hopefully there are individuals on that board who do have experience in relation to those types of—

Mr. Tascona: How often will you be meeting as a board?

Ms. Weatherby: I believe it's once a month, and as needed.

Mr. Tascona: Did they indicate to you what you would be doing? Would it be an advisory role?

Ms. Weatherby: I have not spoken to them directly.

Mr. Tascona: Would it be an advisory role, or some other capacity that they were looking for?

Ms. Weatherby: I believe it says it's an advisory role.

Mr. Tascona: Who's the person from the CCAC? I don't know if they call it CEO, or head person for the CCAC; do you know who that is?

Ms. Weatherby: No, I don't.

Mr. Tascona: Okay. Those are all the questions I have, unless Ms. Scott has a question.

The Chair: You've got one minute left.

Ms. Scott: Okay. Thank you very much for appearing here before us today. It's always nice to see a fellow nurse continuing on. You've had various jobs, furthered your education and are giving back to your community, so I want to say thank you for that.

I noticed in some of the information we received that the CCACs are interested in evolving more of a role within the community and within LHINs. I know that you're just being prepared to come on to the board, but do you see, even just from living in the community and from you're nursing in the community, more of a role that the CCACs could play in delivery of service?

Ms. Weatherby: More of a role?

Ms. Scott: Yes.

Ms. Weatherby: I see that they already play a significant role in the delivery of service, so broadening the region is going to be a big challenge for them.

Ms. Scott: I'll mention one thing just quickly. In my area, we hear a lot about autistic services that just aren't available to help the parents and to help people give parents a bit of a rest, a reprieve, but there isn't the training there. Some of the parents are looking to the CCACs to possibly train some health care workers to get some respite or relief. Do you hear that in your community, or do you think that might be something that the CCAC in your area could get on to?

Ms. Weatherby: I think that would be part of the mandate, knowing that they do provide services for paediatrics and also for cognitively impaired individuals. I would think that would fall within that grouping and definitely be something—

The Chair: Sorry to cut you off, but we've run out of time.

Ms. Weatherby, thank you very much for your comments and responses to members' questions. I'll ask you to stand down temporarily. We're going to move now to our concurrence votes, but thank you very much for your presentation.

We'll proceed in the order of the interviews, and then of course we have one that was deferred until this week from last.

We'll now consider the intended appointment of Vince Bucci Sr. Mr. Bucci, as you will recall, is the intended appointee as a member of the Health Integration Network of Hamilton Niagara Haldimand Brant.

Mr. Parsons: I would move concurrence.

The Chair: Mr. Parsons moves concurrence. Comments or questions? Seeing none, all those in favour? Any opposed? It is carried. Mr. Bucci, congratulations and best wishes on the LHIN.

We will now consider the intended appointment of Stephen Kylie. Mr. Kylie is the intended appointee as a member of the Central East Health Integration Network.

Mr. Parsons: I move concurrence.

The Chair: Mr. Parsons moves concurrence. Any discussion? Seeing none, all those in favour? Opposed? It is carried. Mr. Kylie, congratulations to you as well.

We will now consider the intended appointment of Balmukund Patel. Mr. Patel is the intended appointee as a member of the South East Health Integration Network.

Mr. Parsons: I move concurrence.

The Chair: Mr. Parsons moves concurrence. Discussion? Seeing none, all those in favour? Any opposed?

It is carried. Mr. Patel, congratulations and best of luck on the South East Health Integration Network.

We will now consider the intended appointment of Susan Weatherby, intended appointee as member, Simcoe County Community Care Access Centre.

Mr. Parsons: I move concurrence.

The Chair: Mr. Parsons moves concurrence. Discussion? Seeing none, all those in favour? Opposed? It is carried. Ms. Weatherby, congratulations and best wishes on the CCAC.

Members will recall that last week we had a deferral of one intended appointee. We will now consider the deferred vote on concurrence in the intended appointment of Garry Minnie. Mr. Minnie was an intended appointee as a member of the Assessment Review Board. I'll need a concurrence motion.

Mr. Parsons: We're voting?

The Chair: I'll need concurrence.

Mr. Parsons: I move concurrence.

The Chair: Mr. Parsons moves concurrence. Is there any discussion?

Mr. Bisson: I'm not going to belabour the point; I made my point. I just want the government to try to take this somewhat seriously. We've seen various people come before this committee for appointment. A number of times, like today, you've got some appointments that, yes, are Liberal partisans, we understand that, but at the end of the day, have some qualifications. I just get somewhat discouraged when I see the government moving a person into a position where they're probably best suited elsewhere.

As we know, the Assessment Review Board is there so that the public has an opportunity to go to hearings when they're in dispute with the assessment on the value of property. It would seem to me that we would want to have people on the board who have some knowledge of what real estate values are, what the act is, how that works. In this particular case, this gentleman is very capable of serving in other areas, I thought, like in the education field and possibly even in the health care field. He had some interesting experiences on his resumé that he probably would have been better suited to.

That was the reason I withheld the appointment. It was only to tell the government that you should take more care to try to suit your appointments better. I accept—I don't like it, but I understand it—that the government is going to appoint Liberals to boards. I just ask that you try to suit them better in your choice of where they're going.

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The Chair: Any other discussion?

Mr. Parsons: Our government takes this very seriously, and we believe that Mr. Minnie is qualified. After making his application, as every other individual can in the province, he was interviewed by the chair, the vice-chair and a member of the board. This was not a political interview; this was an interview to deal with qualifications. I would suggest that in fact the people who did the interviews are eminently more qualified to determine whether he is the appropriate candidate for that position.

He had a 45-minute oral interview followed by a written interview in which he is given a scenario, and he then writes a decision, which he's graded on. I certainly can say that we strongly believe that he has the skills. There will be training for him as for every other new person to this board, but we certainly believe he has the skills.

The Chair: Any other comment?

Mr. Tascona: Mr. Minnie, who is a twice-defeated Liberal candidate in the riding of Durham, certainly in the Liberals' eyes has earned the right to an appointment. I guess that's why he was here, and I expect him to be appointed today by the Liberal government.

Mr. Bisson: Exactly the point I was making. It's fairly clear, as we look at appointments coming through this committee, that the predominant factor is, are you a member or are you associated to the Liberal Party? That's part of what this was about; it was a political payoff. I understand. The person has some qualifications. I don't argue that. I'm just saying, next time try to slot them into the particular areas that they're most suited to. It was clear that this particular gentleman was a previous Liberal candidate. That was determined through the interview and what we knew of him. I understand that you want to appoint him to something. You've got to give your partisans something to do. I'm just asking you to better slot them into what they're most suited for.

The Chair: Any further discussion?

Mr. Parsons: This committee has appointed former PC and Liberal members and former candidates who certainly were qualified for the position.

Let's call the question.

Mr. Bisson: You use closure here as well as you use it in the House.

Interjection.

Mr. Bisson: Come on, David.

The Chair: Folks, let's take a step back here.

Mr. Bisson: I was just about to finish. He didn't even need to do that.

The Chair: People have had their chance to make comments. Let's make sure we continue to direct the comments through the Chair. Continue debate, if you like, Mr. Bisson.

Mr. Bisson: Chair, I was about to end this debate, but Mr. Oraziotti is provoking me to continue the debate.

Mr. Tascona: Big time.

Mr. Bisson: Big time. I just say to poor Mr. Oraziotti, who is in his first term here and probably his last, this is a place where members come and debate. This is a place where members bring their concerns. To say "Give it a rest," I think, speaks volumes of your understanding of what this place is all about. On that, thank you very much, Chair.

The Chair: Any further discussion regarding Mr. Minnie's intended appointment? Seeing none, we have a concurrence motion by Mr. Parsons. All those in favour? Opposed?

Mr. Tascona: Recorded vote.

The Chair: Sorry. You have to ask for it before the vote. The motion is carried. We wish Mr. Minnie the best with the ARB.

I'd just remind members that, procedurally, if you want a recorded vote—we always have the right to do so—just do it before we call the question.

Mr. Tascona: Sorry, Mr. Chair.

The Chair: No problem. We'll know for the future.

Mr. Tascona: I'll try to do better next time.

COMMITTEE BUSINESS

The Chair: Is there any other business to be discussed today?

Mr. Bisson: Just a quickie on the issue that my good friend Mr. Tascona raised, which was the other part of the mandate of this committee, which is the review of actual agencies. If we can schedule some time to deal with that because it would be good, I think, for each party to select an agency that we might be interested in spending some time on so we can do the other part of the mandate of this committee.

The Chair: I will try to get back to the committee next week with an update on that. I was going to tell you before. We are meeting next week.

Is there any other business, and then I'll just talk about next week?

Ms. Scott: I just want to bring to the attention of the committee that Michael Lauber was interviewed last week on the Smart Systems for Health Agency. At that point when we questioned him, we had the material that he was to become a member and he was under the impression he was to be the chair of the board.

I just wanted to bring to your attention that on the Public Appointments Secretariat website his name does not appear as a board member; it does not show up on the list at all. That is as of yesterday, February 21. Yet on the Smart Systems for Health Agency site, he is listed as the chair. So I guess my question is maybe that we clarify later what his status actually is: Is he a board member? Has he moved to the chair position?

The Chair: I'll offer a brief comment on that. I think, working with the clerk, we'll get back with more detail next week. As far as this committee's information was, a certificate was issued for him as an intended appointee as a member of that particular board. The committee did discuss this, and we did vote him in as a member of that committee. We do understand and appreciate that you bring to our attention that instead he's been appointed the chair. I'll work with the clerk and get some clarification on how that came to be, and we'll report back to committee next time.

Mr. Parsons: It's a legitimate issue that needs to be resolved. Certainly, the paperwork that came to us was conflicting. We don't question that. I had some sense from the discussion we had that we were under the understanding that it was "chair." I know the issue was raised; I'm not sure by whom. We talked about it, and at that stage I thought the committee had the sense that we were voting on "chair," because it didn't arise again; it wasn't questioned. I do remember that as an issue, and

it's certainly our sense that there was some agreement that we were dealing with "chair."

Mr. Tascona: Wait a second. He has brought it forth to be discussed, and the appointment and all the paperwork would indicate he's going to be a member. There is no consensus that we were voting on—we voted him on as a member, and if he was going to be the chairperson, then he should have been in front of us as the chairperson. So I don't know where you think you're getting consensus. We can only deal with the formal paperwork that's in front of us, and it would be nice to know that when we're voting for and interviewing somebody, we know exactly what position they are, other than what's in the paperwork. That's all we can rely on.

Mr. Bisson: I just concur. It was pretty clear that we were doing the appointment as a member, not as chair, and I concur with the comments made by my colleague from the Conservative Party.

The Chair: I can probably help to conclude it for today's meeting, but we could continue to go on if members so choose. I thought I was clear, as Chair, that we were voting with the certificate that was available to us at the time, which indicated that Mr. Lauber was an intended appointee as a member. Mr. Lauber before us seemed to feel that he was being appointed as chair. We can only deal with the certificate that is before us. If there was a problem with the certificate, then we will look into that and report back to the committee. If a proper certificate is to be issued, we'll try to resolve that, but for the time being—I do remember this discussion, and I'm sure I was quite clear, as Chair, that we vote on the certificate that's presented to us, and that certificate did clearly say "member," not "chair."

Mr. Parsons: I believe Hansard is not yet available for that meeting. That may help clarify it.

The Chair: We'll investigate it. I don't think there's any grand conspiracy or anything here, but we do have to make sure that the paperwork that we get and give to the committee accurately reflects the decisions. If there's a mistake, we'll find out why that mistake was made and try to correct it.

Mr. Tascona: I think there's precedent that if someone had a certificate to be appointed as member and, in fact, after that happened, became chair, they had to come back. I would certainly make the request that Mr. Lauber come back here if in fact he's been bumped up to chair. It's highly improper that he would come forth in a certificate as a member and then get bumped up to chair, which is a separate appointment. It's highly irregular and, quite frankly, the precedent is for him to return. If that's the case and he is the chair, I would expect him back before the committee.

The Chair: I appreciate the advice. I think it's important before we make any decisions to make sure that we have all of the facts before the committee. If there is a precedent that you're aware of, let us know, and that could be part of our discussion next week.

The facts that we know are that we agreed to the certificate. My recollection of those facts was that it was as a member and that the Chair had made that clear. According to Ms. Scott, it's been brought forward that he has been appointed the chair. We will find out what the problem is and bring it back to committee next week. The clerk and I will endeavour to get material to the members before the committee so you can give some consideration before we enter into debate on it.

Mr. Tascona: With respect, we're not going to set up a precedent here today in saying, "Oh, by the way, let's have agreement. We'll bump him up to another position." That is not on. We have to deal with what's in front of us and, as far as I'm concerned, we'll deal with the facts as they are, but we have an obligation and a standard in this committee which will not be lowered by the government.

Mr. Bisson: For the record, the New Democratic caucus concurs with that position. If he's been appointed as a chair, bring him in as a chair. If it was improperly done, he's got to come back.

The Chair: I will get the facts to the members in time for the next committee, and we'll discuss it further at that point in time.

Any other business?

Mr. Parsons: One more item, and I mean this sincerely: Ms. Scott has a reputation for doing her homework and for researching the facts, so when you raised the issue about the minister having the power to close hospitals, I used an electronic device to ask that that be checked. The information I've been made aware of was that in 1996, a hospital restructuring committee was struck that had the powers. In 1999, the powers were reverted solely to the minister to close hospitals. As Wayne Gretzky would not say, I'll bet on it.

Mr. Tascona: Are we meeting next week?

The Chair: Thank you, Mr. Parsons, for that information.

Is there any other business for the committee before I get to next week? Seeing none, we are meeting for our regularly scheduled meeting of Wednesday, March 1, 2006, regular time. We do have four intended appointees lined up, I believe. We will have a regular meeting then, and also we'll get back to you with this notion, this idea, this thought, this fact brought up by Ms. Scott a few moments ago.

We are now adjourned.

The committee adjourned at 1153.

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Wednesday 1 March 2006

Journal des débats (Hansard)

Mercredi 1^{er} mars 2006

**Standing committee on
government agencies**

Intended appointments

**Comité permanent des
organismes gouvernementaux**

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GOVERNMENT AGENCIESCOMITÉ PERMANENT DES
ORGANISMES GOUVERNEMENTAUX

Wednesday 1 March 2006

Mercredi 1^{er} mars 2006*The committee met at 1006 in room 151.*

SUBCOMMITTEE REPORT

The Chair (Mr. Tim Hudak): I'm going to call to order the standing committee on government agencies for our regular meeting of Wednesday, March 1, 2006. The first order of business is the report of the subcommittee on committee business dated Thursday, February 23, 2006.

Mr. Ernie Parsons (Prince Edward–Hastings): I would move its adoption.

The Chair: Mr. Parsons moves its adoption. Is there any discussion on the subcommittee report? Seeing none, all in favour? Any opposed? It is carried.

COMMITTEE BUSINESS

The Chair: We have some extension of deadlines. Pursuant to standing order 106(e)(11), unanimous consent is required by the committee to extend the 30-day deadline for consideration of the following intended appointees: Kenneth E. Bertrand, intended appointee to the Renfrew County and District Health Unit board; Paul Joseph DeVillers, intended appointee to the Consent and Capacity Board; and Lorna Marsden, intended appointee to the GO Transit board of directors.

Do we have unanimous consent to extend these deadlines to April 19, 2006?

Mr. Joseph N. Tascona (Barrie–Simcoe–Bradford): Yes.

The Chair: Seeing unanimous consent, it is agreed.

I'm going to defer other business until after the appointments, just so we can keep on schedule for intended appointees. I anticipate we'll continue the discussion on the certificate from last week. Mr. Parsons has already been kind enough to notify me that he has an item for other business, so I will defer that and proceed with the intended appointees at this time.

INTENDED APPOINTMENTS

MICHAEL GOUGH

Review of intended appointment, selected by official opposition party: Michael Gough, intended appointee as member, Ontario Lottery and Gaming Corp. board of directors.

The Chair: The first intended appointee is Michael J. Gough. Mr. Gough is an intended appointee as member of the Ontario Lottery and Gaming Corp. board of directors. Mr. Gough, you're welcome to make an opening presentation about your background and your interest in this particular position and then we'll have questions from all three of the parties represented at committee. We will begin any questioning today with the government side. Mr. Gough, the floor is yours.

Mr. Michael Gough: Good morning. Thank you for the opportunity to describe my background and some of my qualifications. While I grew up in Ottawa, I have spent most of my life in Toronto. I'm a lawyer and I've practised for slightly more than 35 years. I retired from the practice of law at the end of 2005.

More than a third of my career has been spent with the Ontario public service. I started in 1971 with the companies branch of the Ministry of Consumer and Commercial Relations, and subsequently moved to what was then the Ministry of Treasury, Economics and Intergovernmental Affairs—now Finance—where I became director of legal services. I think you have my resumé with details of what I did at the time.

In 1981, I joined the crown-owned Urban Transportation Development Corp., first as general counsel and subsequently as president of one of its operating subsidiaries. It was at that time that UTDC was delivering transit systems to Vancouver, Detroit and Toronto.

I returned to the practice of law in 1985 when I joined the law firm of Osler, Hoskin and Harcourt. I became a partner a year later, in 1986, and I've practised with Osler for the last 21 years, retiring, as I've said, within the last two months' time.

My practice was in the business law section but it was principally public law and regulatory affairs. That meant that many of my clients were regulated by or worked closely with either the federal or provincial governments. Again, you have my resumé, which sets out and describes something of my practice during the 21 years that I was at Osler.

Perhaps of more relevance to this committee is the experience I have with the gaming industry. When casinos were first announced, I was retained by a major US casino operator to assist them in bidding. No site had been selected at that time. It ultimately turned out to be Windsor. We did bid it, we were short-listed and we were not selected to be the operator in Windsor. A couple of years later, the

province announced that there would be a casino in Niagara Falls, and again I was retained by the same US operator. However, after a great deal of work, it was ultimately decided that they would not bid the Falls casino.

I have acted on behalf of a variety of lotteries, including the establishment of one of the major Toronto hospital mega-lotteries.

Finally, I've served on a variety of community boards. The boards I currently sit on are described in my resumé. They include Trent University and the Energy Council of Canada. I've probably spent far too long on the board of the Canadian Opera Co. and on the board of the opera house corporation, which I must tell you is coming along famously down at its site at Queen and University.

I have just started into and finished the first quartile of the directors' education program at the Rotman School of Business, which is conducted by the Institute of Corporate Directors.

I think I bring a number of qualifications to this appointment. I have a good blend of public and private sector experience. I have a sound understanding of the regulatory and business side of the gaming industry. I have prior experience with crown agencies from the 10 years I worked with the Ministry of Treasury, Economics and Intergovernmental Affairs and was involved in drafting them and dealing with their governance, together with the three and a half years that I worked with the Urban Transportation Development Corp. Finally, I have considerable experience sitting on corporate boards and a good understanding and knowledge of corporate governance.

I hope these qualifications will recommend me for your consideration in the appointment to this position. That completes my statement.

The Chair: Thank you, Mr. Gough, for the opening statement. I note for the record that you, as a former senior solicitor in the Ministry of Consumer and Commercial Relations, were out of there well before the Hudak regime began, so it was probably a wise move.

Anyway, thanks for the background and the interesting presentation—

Interjection.

The Chair: I thought it was funny, Mr. Gravelle.

Mr. Parsons: That was actually going to be our first question.

The Chair: That was? He heard I was coming in and hightailed it out of there.

Mr. Michael Gravelle (Thunder Bay–Superior North): I was trying to smile, Chair.

The Chair: Questions from the government members?

Mr. Parsons: Mr. Gough, you've applied to be a member of the Ontario Lottery and Gaming Corp. board of directors. That's not the organization you initially applied to for an appointment. How did you get from there to here?

Mr. Gough: In early 2005, I determined I was going to retire. There was an ad in the ROB for the position. I spoke with a couple of senior individuals within the AGCO to see if it was something I wanted to do because I did intend to retire and I felt a bit ambivalent about

taking on a full-time position. But it struck me as such an interesting one that I would apply for it, and I did. I was one of, I think, five or six individuals who were selected for an interview probably sometime in September 2005.

My name was not the one that went forward at cabinet for approval, but out of that came one or two sources with the suggestion that I had a good skill set and that I could probably usefully apply it to other positions. As a result of that, I came in and had a half-hour meeting with the public appointments committee. We chatted about various areas of my interest and where my skills might fit.

Following on the AGCO one, the board of the lottery commission appeared to be a good fit and so there was an exchange of e-mails where I said, yes, I'd be interested in it. About a month later, Tim Reid, the chairman of OLGC, phoned me and said he had this resumé, thought it might be a fit and could we get together for lunch. We did and he then said, "Listen, here's the personal disclosure forms for the AGCO. Fill them out," and I must say I've never gone through anything quite as massively intrusive as the financial information required by those forms. Out of that—

Mr. Parsons: They were prepared by lawyers.

Mr. Gough: I gather they were. I had said verbally that I would like to apply for this position and then Tim Reid became involved, but I'm not quite certain why the material you have in front of you, which wouldn't be markedly different from what it would say for this position, should have me as the chair of the Alcohol and Gaming Commission. I did not get that spot.

Mr. Parsons: That's all. Thank you.

The Chair: Great. Thank you to the government side. The official opposition?

Mr. Tascona: Thank you for coming here today, sir. So I understand correctly that you're no longer with Osler, Hoskin and Harcourt?

Mr. Gough: That's right. I retired officially at the end of 2005 and I've notified the law society that I will not be practising law. My status with the law society is now such that I pay 50% of my fees because I do earn other income. I'm consulting in on-board positions and so I'm required, until I hit age 65, to keep up at least a partial membership.

Mr. Tascona: According to the Osler, Hoskin and Harcourt website, the firm has more than 400 partners, associates and paraprofessionals. Do you anticipate any difficulty avoiding situations in which your association with Osler, Hoskin and Harcourt might lead to an apprehension of bias or of conflict of interest?

Mr. Gough: It was a question that concerned me, and when I applied for the position, I wrote to the gens majeurs as part of my disclosure form saying, "I've done a lot of gaming work. My firm has been involved, though not me, in negotiating the construction agreement with Falls Management. There are a few construction lien files hanging on, but I get a retirement allowance from the firm. I don't participate in profits, but the retirement allowance I get comes out of net profits."

That concerned me enough that I sent a copy of my disclosure letter to Coulter Osborne, the Integrity Com-

missioner, and asked if he would be good enough to review it and meet with me. Coulter Osborne and I met by telephone for half an hour. We discussed my work, we discussed Osler's ongoing work and we discussed my other boards. As a consequence, he gave an opinion that in his view nothing that I had done nor my relationship with the firm nor my ongoing receipt of retirement allowances would constitute a conflict of interest.

Mr. Chair, I have copies of that letter, should it be of interest to committee members.

Mr. Tascona: Thank you. I want to ask you a question about Internet gambling. The Criminal Code does not explicitly prohibit Internet gambling. However, from what I understand from the research that was done for me, it's the view of the Alcohol and Gaming Commission of Ontario that Internet gambling is caught by the general prohibitions prescribed by section 206 of the Criminal Code. Moreover, for the purposes of section 207, an authorized "lottery scheme," other than one run by the province, does not include a scheme that is operated on or through a computer. Whether the province could legally conduct and manage an Internet gaming scheme is, according to the commission, open to question. In any event, the commission says it has not issued any licences to operate an Internet lottery scheme in Ontario. It also believes that no other province has issued such a licence. To date, no Internet gambling cases have been prosecuted under part VII of the Criminal Code.

That's certainly getting a lot of press, and I know one of the members has a private member's bill tomorrow on Internet gambling from a point of view of advertising it through the media in the country, though these Internet gambling schemes are from outside the country, and that it's affecting, for example, the harness racing industry and perhaps it's going to be a big growth industry with respect to gaming in this province. Do you have any comments about that?

Mr. Gough: Yes. Internet gaming is a loaded issue. I've opined to clients who have come to Osler's and said, "We're asked to provide servers, a network for Internet facilities in First Nations properties in Quebec because of the law thing." We've been of the view that the Supreme Court of Canada says gaming is not an inherent right or part of Indian culture. I do not think the Criminal Code authorizes Internet gaming even with a server because it talks about aiding and abetting. It doesn't matter that there's the Internet network or the operation run out of the Bahamas if there's a principal server here, which I gather serves something like 15% to 20% of the international Internet gaming.

I'm troubled by it for two reasons, and not that Ontario's losing revenue. I'm troubled by it because, no matter what they say about the regulation of it, their ability to police underage gaming and whether you're 19, their ability to deal with compulsive gaming, to identify it and fund treatment for people who've become addicted—and sitting at a computer terminal playing poker can be highly addictive.

So I agree with the statement made by Minister Cordiano in late 2005 that this province is not at this time going to have OLGC move into Internet gaming. It's one of the significant issues that OLGC and its provincial counterparts face, and it's a troubling one.

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The Chair: We have about four minutes.

Ms. Laurie Scott (Haliburton–Victoria–Brock): Welcome to the committee today, Mr. Gough. I see on your resumé that you are a director and chair of the nominating and governance committee of Trent University. I didn't see that you had attended Trent. I am in the neighbouring riding of Haliburton–Victoria–Brock, and Trent University is one of the closest universities to me. I just wondered what your connection was with Trent.

Mr. Gough: We have a farm that we bought about eight years ago up near Trent. We can go up on weekends and we're up there whenever we can. All I met were other people from Toronto, and I thought, if I'm ever going to get integrated into the Peterborough community it's going to be by joining a board like Trent. It's the first university board I've been on, and very little in life prepares you for a university board or how they get financed until you actually get on one. I have just taken a second three-year term. I'm very much enjoying it and very much enjoying the university and the students.

Ms. Scott: It's a wonderful university, and Bonnie Patterson does a great job there.

Mr. Gough: Bonnie is a delight. She chairs, as you know, the AUCC this year.

Ms. Scott: That's wonderful. Welcome to the area and thank you for joining the board. That's great.

My colleague Mr. Tascona was questioning about the marketing with the OLGC. Do you believe that the marketing is currently being done in a socially responsible way, or might you improve upon it? You were expressing concerns with Internet gaming and monitoring and underage. Can you expand on that?

Mr. Gough: The public's perception of gaming has so changed since the amendments to the Criminal Code in the 1960s and 1980s, when it used to be vice. Now the preponderance of the community recognizes that it's entertainment and that if it's going to be around it might as well generate revenue for government.

What's critical to the acceptance of gaming is that very delicate balance between the social benefits and the social costs that are generated. I think again in 2005 we were right, sitting back, taking a pause, saying, "Let's take a time out and calibrate to see that we've got the correct balance between the social benefits and the costs."

Having said that, numbers are down, employment is down, take is down, revenue to the government is down. I think this has more to do with the fact that Americans aren't travelling as much as they once did. There are safety and security issues at borders as you come up, and those issues trump casino revenues. But people simply aren't travelling, in part because of the Canadian dollar and in part because it's a scary place to be out there now, with SARS and other things. But I think, with appropriate

marketing and things like the refurbishment of the casino in Windsor to be able to attract more people from the Detroit side—there are still differences between how your winnings are taxed. You still make an extra 15—I think it's 14 cents today on the Canadian dollar, gaming in Canada. But there's more competition out there and we're going to have to be sharper, but sharper in the context that the costs never get to outweigh the benefits.

Ms. Scott: My colleague the member from Waterloo—Wellington introduced a private member's bill in 2004 that puts a moratorium on, which I'm hearing from you that you agree with, to step back and reassess—but revenues are down. Do you have any ideas of what you'd like the future of the Ontario Lottery and Gaming Corp. to be in the next few years? Do you feel marketing changes or—

Mr. Gough: I think marketing changes. The Sadinsky report and the response by OLGC to a responsible gaming code of conduct I think has gone a long way, if it's appropriately implemented, to identify, monitor and fund treatment of people with addictions to gambling or who are at moderate or low risk of it, because we've got to watch them as well.

Ms. Scott: But specifically to get more people in?

Mr. Gough: Yes, more people in. Clearly, there is an economic driver to this. There are 20,000 people in Ontario who rely directly on OLGC for employment. There's probably a multiplier not much higher than one, I suspect—so another 20,000 people in the hospitality industry who indirectly rely on it. That's a significant obligation to those Ontarians who work for us. I haven't been on the board, so I haven't got a sense of what marketing initiatives are there, but within the context of being socially responsible, I could see us taking more initiatives to make it more attractive.

Mr. Gilles Bisson (Timmins—James Bay): Thank you and welcome to our committee. I wasn't going to get into this particular issue because I have others, but banning Internet poker playing: I'm not quite sure how you enforce that or how effective that would be. Your thoughts?

Mr. Gough: You know, it's—

The Chair: Sorry to interrupt. Could you move a little closer to your microphone? Hansard picks it up for the sake of recording.

Mr. Gough: Of course I can. It's exceedingly difficult to enforce. Quebec and Ottawa must be looking closely at the commerce—

Mr. Bisson: I think the intent is good, but I don't know how you really police anything like that.

Mr. Gough: You can't. China is dealing with the issue, and I don't think we're prepared to go there.

Mr. Bisson: That's an interesting comment; that will be for the debate coming up. But it seems to me that we need to put an emphasis on education; we need to put an emphasis on trying to get people to become more responsible when it comes to gaming. That's where I'd rather see the emphasis, and to that point, it would seem like a role for the OLGC to play. Any thoughts on that? There's obviously already some of that that happens. Do we need to do more?

Mr. Gough: Yes, I do. If the government has said, "We're not going to be in Internet gaming," and there are problem-gaming issues, there are risks to unsupervised gaming on the Internet, then yes, there has got to be more education. People have to be told about the risks, they have to be told about the factors to look for that show you that you're at risk, and then they've got to provide a mechanism, when you hit the wall, to self-report and to be able to get help from the agencies that deal with and help—

Mr. Bisson: Yes. It seems to me that it's a tough one. I know a number of habitual gamblers in my riding, and we often have conversations as we run across some of these constituents, everywhere from Moosonee to Timmins; you name it. It always strikes me: I say, "Jeez, that's a lot of money you lost there. Why do you keep on going back?"

There was a really good explanation—I'm side-tracking, but there was a movie that came out recently; there was a really good part. It was Robert De Niro—what's the name of the movie? Can anybody remember?

Interjection: Pacino.

Mr. Bisson: Oh, Pacino. What's the name of the movie?

Mr. Gravelle: It was called Casino.

Mr. Bisson: No, no, no. Is it Casino?

The Chair: Sports gambling. I'll think of it.

Mr. Bisson: Yes, it's about sports gambling. My point is, there's a really good line in it where Pacino goes into a Gamblers Anonymous meeting and at the end of it does this whole diatribe that's quite interesting.

The Chair: Two for the Money.

Mr. Bisson: Two for the Money; that's what it is. You've got to see it, because at the end of the day what he says is that it's the rush of losing, not the rush of winning, that keeps on bringing you back, and I thought, "Boy, is that ever interesting." Anyway, I digress.

Just a couple of things: Why this particular board? I know that you've had some experience in the gaming industry, but how did you hear about this appointment? I wasn't here to hear your comment; I'm sure it was asked. Why this particular board?

Mr. Gough: It was a natural follow-on when I was not successful in my application to chair the Alcohol and Gaming Commission. I had gone on in anticipation of retirement because I'd had 13 years in public service and I had really enjoyed it. I thought part of my next career—and I'm still young enough to have one more—would involve some part of public service. Finding one—I didn't want to go on the Assessment Review Board; I didn't want to go on workman's compensation; that's not my background. My background was regulatory. I enjoyed working with the gaming industry, I have a good feel for it, and that's what attracted me to the AGCO.

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Mr. Bisson: So you found out about this on your own. You weren't approached by anybody to go to the appointment.

Mr. Gough: No.

Mr. Bisson: That's what I was wondering.

I notice you have some experience also dealing with First Nations in regard to gaming, and that will bring me to my next segue, which is, you're aware of the win tax issue. A couple of things are going to fall out of that. Obviously, one of them is going to be the request to expand native gaming. Your thoughts?

Mr. Gough: I have not read the agreement between the Chippewas of Rama First Nation or the other 133 First Nations, so there's little I can add to that, Mr. Bisson. I'm aware of the litigation and the split. What troubles me is that there's nothing that seems to have happened to facilitate a settlement in that. The Chippewa are holding at 35%, and it was supposed to be perpetual. How the other 133 First Nations with the 65% will come to an accommodation totally eludes me, and that's simply because I haven't followed the litigation closely enough. Does it mean that the AGCO steps in and tops it up? The decision on that 20% win tax is going to be a government decision.

Mr. Bisson: I understand. My specific question, though, is that part of what may fall out of this—there are two things. First of all, as I understand it, the gaming commission is taking a position—it might be the government taking the position; I'm not as clear on that point. But the issue is that, at one point, Rama would be converted back to the province, and then they would get a cut of the overall gaming proceeds of the province of Ontario. Are you aware of that at all?

Mr. Gough: No, I'm not.

Mr. Bisson: Any thoughts on that?

Mr. Gough: It would revert back to Ontario? Yes, I can see there's a rationale to it if the First Nations were in support of that happening.

Mr. Bisson: I guess my question is, if they don't, where would you be on this issue?

Mr. Gough: Then I would be reluctant to see AGCO or the government step in to impose on those First Nations—they were able to arrive at the selection of Rama. I think you're on slippery ground when you get involved with their affairs.

Mr. Bisson: That's one of the things I wanted to hear. The other thing is that there is some desire on the part of some of the First Nations to expand native gaming into different areas: other charity casinos or whatever you might call them. Your thought on that?

Mr. Gough: I think it's possible. The 2005 freeze, with no more charitable casinos, was an opportunity to sit back and catch your breath and say, "Where are we going? Is this rolling out as we'd like?" I suppose it's entirely possible that that might occur.

Mr. Bisson: The other thing is that I picked up a couple of the sample products that your organization sells, and I have a complaint: I never win with these things. So why the heck are you selling them?

Mr. Gough: I pick up tickets when Lotto 6/49 hits \$30 million, and I haven't won yet either.

Mr. Bisson: If there's anything you can do to help me, it'd be very appreciated.

The Chair: Thank you, Mr. Bisson. Mr. Gough, thank you very much for your presentation. The Chair's only comment is with respect to responsible advertising in regard to these talking card commercials that the Niagara Fallsview Casino does. They're very annoying, and I find that irresponsible. Have you seen them—the talking cards, the king and the queen who talk and make really bad jokes? I just want to go on the record to say I find that irresponsible because they're annoying.

Mr. Gough: I will pass that along, Mr. Chair.

The Chair: Thank you very much, Mr. Gough, for your presentation. We'll move to our concurrence votes after we interview the other two intended appointees. You're welcome to stick around for the vote. It will probably transpire in about an hour's time.

ELKE HOMSI

Review of intended appointment, selected by official opposition party: Elke Homs, intended appointee as member, Ontario Rental Housing Tribunal.

The Chair: Our next intended appointee is Elke Homs. Elke Homs is an intended appointee as a member of the Ontario Rental Housing Tribunal. Ms. Homs hails from here in Toronto, Ontario. Ms. Homs, you've been here in the committee room. You're welcome to make an opening presentation about your interest and your background. Any questions today will begin with the official opposition, and we'll rotate from there.

Ms. Elke Homs: Thank you very much.

The Chair: No problem. The floor is yours when you are ready.

Ms. Homs: I have a written statement. Mr. Chairman, members of the committee, thank you very much for the opportunity to appear before you today and outline the qualifications and experience I can offer as a candidate for the position of an adjudicator on the Ontario Rental Housing Tribunal.

I have worked for the past 11 and a half years as a member of a quasi-judicial tribunal, namely the Immigration and Refugee Board. Both the IRB and the ORHT deal with large caseloads and therefore, as a member of such a board, you have to be able to deal with volume while ensuring procedural fairness.

The mission statement of the ORHT is: "To resolve disputes between residential landlords and tenants by providing public education, mediation and adjudication services in a fair and timely manner." My role would be in adjudication services. In order to fulfill the mandate stipulated by the mission statement I can offer the following: I will divide my expertise into three components, namely, case preparation, hearing room conduct and order and reason writing. In my 11 years of sitting on refugee claims, I learned that case preparation is vital in order to conduct a short and focused hearing in accordance with the law.

As an adjudicator, you are being assigned blocks of applications. You have to make sure that you have all the

information required for the hearing, that you know the issues that might arise. You have to know which section of the Tenant Protection Act applies to the application, the rules of practice for this particular application and the guidelines that might be appropriate. You have to assess which section of the application might not be clear and you have to be able to ask relevant questions in order to get the evidence to make an informed decision. You are assigned a schedule to deal with your cases, which means that you have to be punctual. Once you are in the hearing room, as an adjudicator, you have to be in control of the room. At the ORHT you can expect to have a full room, and you have to ensure that the parties in the proceedings are not being distracted by the public.

When the applicants appear before you, you have two scenarios to consider: First, the represented applicant and respondent, the ones with legal representation, and, second, the unrepresented parties. It is in the case of the unrepresented party—and I assume that this will be the case in the majority of the applications this tribunal deals with—where you have to ensure that both sides are afforded procedural fairness. I am well versed in dealing with unrepresented parties. I would say that in the past three years about 40% of the claimants who appeared before me had no legal counsel.

As an adjudicator living and working in a province as multicultural as Ontario, you have to have knowledge of and sensitivity to cultural differences, which I also gained during my many years serving at the IRB. For example, you have to be aware of language problems, you have to ensure that the parties actually understand what is being said and, in case an interpreter is present, that the interpreter is competent. You also have to deal with motions at a hearing, for example, for adjournments, and you are guided by your guidelines in this respect and rule accordingly.

Sometimes there are motions of bias against an adjudicator, so you have to know how to deal with such a motion. However, in my 11 and a half years as a member of the IRB I never had to deal with a bias motion and was considered to be fair and balanced, and I hope I can continue with such a record.

After the hearing, or even at the hearing, you have to write the order or you have to write reasons, or deliver oral reasons which might be subject to internal or judicial review. I have delivered about 1,000 written reasons during my time at the IRB—I am not counting the oral decisions—and I am proud to report that less than a handful were ever sent back for rehearing by the appeals court, which is much below the national average of about 3%. A reason has to be written in a timely manner; it has to reflect the evidence you are dealing with and the statute and case law that is relevant in the particular case. My usual timeline was to finish a reason within two or three days of the day of hearing and, in all of my performance reviews, I was assessed to be highly efficient.

In summary, the above is what I have to offer and, as an adjudicator of the ORHT, I promise to be fair, expeditious and compassionate. Thank you very much.

The Chair: Thank you very much for the presentation and your interest in the new position. We'll go to the official opposition for any comments or questions; Mr. Tascona.

Mr. Tascona: Thank you for attending here today. I just wanted to ask you a few questions here. I notice in your resumé you indicate that you ceased being a member of the Immigration and Refugee Board in December, 2005. Why did you stop being a member?

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Ms. Homsí: There is an unwritten rule at the IRB that members are not appointed for more than 10 years. The board managed to keep me for 11 and a half years. In September, I was notified that there was no political will to keep anybody past 10 years, so I am actually one of the longest-serving members who ever served on the board.

Mr. Tascona: Are you currently a member of the provincial Liberal Party?

Ms. Homsí: No.

Mr. Tascona: You worked for Tony Ruprecht, I believe, as his legislative assistant?

Ms. Homsí: Oh, yes. He was so kind back in the mid-1980s, about 20 years ago, to offer me a job. I worked for him as an assistant for less than a year.

Mr. Tascona: Yes. It says here on your resumé that from 1988-89 you were legislative assistant for the MPP for Parkdale, dealing with multicultural issues and constituents. The member for Parkdale would have been Tony Ruprecht?

Ms. Homsí: Yes.

Mr. Tascona: And he's a current member of the Legislature here, now; I believe it's Davenport that he's the member of. Maybe Lorenzo can—

Ms. Homsí: But I completely lost touch. You're talking about things from about 20 years ago.

Mr. Tascona: So you're not personally in touch with Mr. Ruprecht these days?

Ms. Homsí: Oh, no. Unfortunately, we lost touch.

Mr. Tascona: So how did you find out about this appointment? It's a full-time rental housing tribunal position, which I think is a fairly prestigious appointment. What does it pay; do you know?

Ms. Homsí: Since September, I knew I wanted to continue working on—I do have, as I stated, a lot of experience—

Mr. Tascona: Do you know what it pays?

Ms. Homsí: Yes; about \$69,000 or so. Ms. Ma is now the chair. Ms. Ma used to be a supervisor at the IRB. I thought she would know of my work ethics and my performances at the IRB.

Mr. Tascona: So it's \$69,000 a year. What's the length of the appointment? Is it a three-year appointment?

Ms. Homsí: About three years, yes. I always had about a two-and-a-half- or three-year per appointment during all my time there at the IRB.

Mr. Tascona: How did you come to apply for this? Did you deal with someone from the Liberal government for this job?

Ms. Homs: No, no. Quite a few of my former colleagues were members—

The Chair: Excuse me, Ms. Homs; I'm sorry to interrupt. If you don't mind speaking closer to the microphone so that we can pick this up for the sake of Hansard. Thank you.

Ms. Homs: Okay, sure—were members of that board, so I asked them and they said, "Why don't you get in touch with Lilian Ma and ask her whether she needs any members?" I think it was around October 5 that I sent her an e-mail: "Do you need anybody?" She said, "Apply. You have to apply to us through the Internet."

Mr. Tascona: So you applied, and what happened after that?

Ms. Homs: I did not hear anything for months. Then I got a letter that I had an appointment on December 13 to appear before a committee and have a job interview. That was on December 13, which was by accident exactly the day when my appointment with the board ended. So I went there, and Ms. Ma and two of the vice-chairs questioned me on my experience, on the act and so on for about an hour. It was quite rigorous. Then I had to write a written test. Then I didn't hear from them for about another month, and now I'm here.

Mr. Tascona: Who notified you that you were coming here?

Ms. Homs: I think the appointments secretary did, and then your clerk called me too.

Mr. Tascona: Who was that? Oh, the clerk. Okay.

Ms. Homs: I don't know exactly who it was. Somebody from your committee called me, and then I got a letter.

Mr. Tascona: Currently, do you own your own home or are you a tenant?

Ms. Homs: I have owned my own home for the past five years and I used to be a tenant before that.

Mr. Tascona: Have you ever been a landlord?

Ms. Homs: No.

Mr. Tascona: There's a lot of publicity out there. They're saying that the rental tribunal is biased towards landlords. Do you have any thoughts about that?

Ms. Homs: As an adjudicator, I have to be non-partisan and I have to evaluate the cases on the facts that are being presented to me. I am aware that there were some allegations, and I think the Ombudsman of Ontario already addressed this back in 2003 or 2004 in his report. There have been public consultations on this, but as I don't know the cases and the allegations exactly, it is hard for me to give a comment.

Mr. Tascona: The Liberals have made much about changing the legislation and the Tenant Protection Act and, of course, they haven't done anything to do that. Do you have any thoughts about whether the Tenant Protection Act should be changed in any way?

Ms. Homs: Well, any act always has some shortcomings. We learn about this during the years when you

work and apply the act. I'm aware that there were public consultations. The government did write a green paper, shareholders did send interesting responses, so it is now up to lawmakers such as yourself to make sure that everything will be implemented. Those are all the comments I really have for this. As an adjudicator, you have to work with what you've got, right?

Mr. Tascona: Yes, but you were a tenant before. Did that provide you with any perspective—five years past—on fairness with respect to the relationship between a landlord and a tenant?

Ms. Homs: Oh, yes, sure. The thing is—and that was one of the mission statements—you have to know your rights as a tenant. The mission statement of the ORHT said that they want to ensure public education, and hopefully they are already doing this. There is new management at the ORHT. I have not worked for the board as such, so I'm as much an outsider as you are. All the knowledge I have is through reading in order to prepare both for my job interview and to appear before you today.

Mr. Tascona: Okay. That's all the questions I have.

Mr. Bisson: You were at the—hang on a second here; I want to make sure I've got it right—you were at the refugee board. How long were you there?

Ms. Homs: For 11 and a half years, since 1994.

Mr. Bisson: Was that a renewable appointment?

Ms. Homs: Oh, yes. I got renewed at least—I never had an appointment longer than three years.

Mr. Bisson: So you were appointed by the Liberal government federally, then.

Ms. Homs: Yes.

Mr. Bisson: And why were you not reappointed?

Ms. Homs: I told you. The board has an unwritten rule that no member gets appointed past 10 years. Somehow, the board managed to keep me for 11 and a half years. I know that the management in Ottawa really tried to keep me, but I was told there was no political will to keep anybody past 10 years. Most of the experienced members only had 10 years' appointment. I'm an exception, with 11 and a half years.

Mr. Bisson: I've just got a question to the clerk, or maybe research: How long does it normally take? What I heard was you originally applied in October.

Ms. Homs: Yes.

Mr. Bisson: And she was notified in December. That seems a little bit quick. I'm just curious: How long does it normally take, on average, for that kind of appointment?

The Chair: I'll ask them if we have the capacity, since we just react to the certificates we get. You know what? We could ask the Public Appointments Secretariat.

Mr. Bisson: I'd just be curious, if you could get that for me. It seems to me it was rather fast and I'm just wondering if you knew someone. Are you fairly well connected with the Liberal government?

Ms. Homs: You mean the provincial?

Mr. Bisson: Yes.

Ms. Homs: No, because since 1994 I have not been in the party. We have a very strict code of conduct when you're a member of the Immigration and Refugee Board. Even though you can be involved in some aspects of political life, I thought it was much less complicated to completely quit politics. But I certainly know a few people here, two of the—and the former chair is a member of Parliament now, so they would know of me and of my performance at the board.

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Mr. Bisson: All right. Trilingual? Français, allemand, et l'anglais?

Ms. Homs: Yes, but my French is not sufficient to conduct a hearing.

Mr. Bisson: I was just wondering, because I thought I saw in your resumé somewhere that you're studying—

Ms. Homs: Yes. I speak German and some French, but not enough to conduct a hearing or write a reason in French.

Mr. Bisson: You did some studies with Alliance française, then?

Ms. Homs: Yes.

Mr. Bisson: So you understand French, but you're not able to converse. Your German, obviously, is fluent.

Ms. Homs: Oh, yes.

Mr. Bisson: That's good; the more languages the better. That's all I've got. Thank you.

The Chair: The government side?

Mr. Parsons: No. We're very impressed with your qualifications. No questions, Chair.

The Chair: Thank you very much for your presentation and your response to the members' questions. You're welcome to stick around. We move to the concurrence votes on the intended appointees after the next interview.

ELIZABETH WILFERT

Review of intended appointment, selected by official opposition party: Elizabeth Wilfert, intended appointee as member, council of the College of Dietitians of Ontario.

The Chair: I would call forward Elizabeth P. Wilfert. Ms. Wilfert is the intended appointee as a member of the council of the College of Dietitians of Ontario. Ms. Wilfert joins us from Richmond Hill. Welcome to the standing committee. You're welcome to make an opening presentation on your background and your interest in this particular position. Questions will begin with the third party, Mr. Bisson. Ms. Wilfert, the floor is yours.

Ms. Elizabeth Wilfert: Mr. Chair, members of the committee, I appreciate the privilege of appearing before you this morning to discuss my qualifications to be appointed to the council of the College of Dietitians. It's my understanding that you have a copy of my resumé before you, and I would simply like to highlight what I consider to be the strengths that I would bring to this council.

In my capacity as an elected hydro commissioner for the town of Richmond Hill, I was responsible not only to

represent the constituents as consumers, those who may not have been happy with their bill or service, but also to represent the employees. As chair of the human resources committee, we worked together to improve employment conditions. I was also involved in staff grievances and working with the union. As councillor, ward 6, for the town of Richmond Hill, I was responsible for making sure the needs and concerns of those constituents/tax-payers/consumers were met.

The Richmond Hill Arena Association is unique in the province of Ontario. We are at arm's length from the town; a stand-alone organization. We not only set policy but must make sure we are financially solvent. I believe my diverse experience in the volunteer sector, such as being on the boards of directors of the Richmond Hill Public Library, Helpmate Community Information and Volunteer Bureau, as well as the Arena Association, in addition to being president of our homeowners' association and working with Communities in Bloom, along with other volunteer roles, would be an asset to any organization.

Registered dietitians represent a growing and important sector of our economy. As our parents age, we consider additional care for them. Seniors' institutions rely on dietitians to provide guidelines for food that is not only nutritious but appetizing and digestible for the elderly.

As an educator, I witness first-hand what recent reports have been saying: that our children are gaining too much weight. Not enough exercise coupled with parents' busy lifestyle and fast food tends to be the staple for our young people. Dietitians are essential in the community to work alongside school boards and parents.

Finally, we come to our generation. Studies released just last month stated that we will not live as long as our parents because of our diets. More than ever, we will be turning to dietitians to help us manage our health.

I've had the opportunity to study first-hand the extensive website of the College of Dietitians and could not agree more with the importance of their mandate, which is to ensure that the public gets the best possible care by competent, professional dietitians, protecting the public while supporting dietitians in Ontario. I would like this committee to know that I would not allow my name to stand if I did not believe that I could be 100% committed to such an organization and give it my very best effort. If my appointment to the council of the College of Dietitians is approved, I would be honoured to serve the province of Ontario in this manner.

The Chair: Thank you very much for your opening remarks. Any questions will begin with the third party.

Mr. Bisson: Thank you and welcome. Something caught my attention: "Parliamentary Spouses Association (Federal)." Your spouse is a member of federal Parliament?

Ms. Wilfert: Yes, he is.

Mr. Bisson: I didn't recognize the name. Where's the riding?

Ms. Wilfert: Richmond Hill.

Mr. Bisson: Obviously, it's the same last name, I take it.

Ms. Wilfert: Yes, that's correct.

Mr. Bisson: Liberal? Conservative?

Ms. Wilfert: Liberal.

Mr. Bisson: I kind of thought there was a pattern here. Why this particular board? Why dietitians? In going through here, I didn't see a lot of experience in that area.

Ms. Wilfert: No. I feel that you and I, our children and our parents more and more depend upon dietitians in our new lifestyles.

Mr. Bisson: Some more than others.

Ms. Wilfert: Yes, it could be. I think it is an area that I am very interested in as a consumer.

Mr. Bisson: But do you have any experience in this area?

Ms. Wilfert: No, I don't, but I think that I have an awful lot of other diverse experience I could bring.

Mr. Bisson: I'm sure you do. I'm just wondering why this particular direction. Why not another direction as far as a public appointment? Obviously, you have an opportunity to be appointed to something, because you have a number of experiences in electricity, university, a background in education. There's a whole bunch of experience there. Why this? How did this come about? Were you approached? Is it something you saw?

Ms. Wilfert: I had been approached by York Central Hospital.

Mr. Bisson: Are you on the board there?

Ms. Wilfert: No, I am not.

Mr. Bisson: So explain the relationship. I don't quite understand.

Ms. Wilfert: The president and the chair of the foundation approached me to apply to the LHIN board.

Mr. Bisson: Oh, I see. Okay.

Ms. Wilfert: I was too late, and then the Ministry of Health, after seeing my resumé, suggested that I might—

Mr. Bisson: So you had an application in already for the LHIN board, and when they saw your application, they thought, "Oh, maybe there's something here."

Ms. Wilfert: Yes.

Mr. Bisson: Well, I'm not going to ask the obvious here. You're a member of the Liberal Party, I think it goes without saying. You've got impeccable credentials, I guess, on that side.

Ms. Wilfert: I am not a member of any provincial party.

Mr. Bisson: Well, their federal cousins, whatever—same thing. I don't have any other questions. It's pretty clear: a Liberal appointment.

The Chair: To the government side.

Mr. Parsons: No questions, thank you.

The Chair: No questions from the government side. Official opposition: Mr. Tascona.

Mr. Tascona: Yes, we do have questions. I'm not surprised the government doesn't have any questions.

I want to thank you for coming here today. Just to clarify, you're the wife of Liberal MP Bryon Wilfert?

Ms. Wilfert: Yes.

Mr. Tascona: Mario Racco, who's the MPP for Thornhill, is your reference.

Ms. Wilfert: Yes. I'm acquainted with Mr. Racco through municipal work. He was the municipal councillor in the city of Vaughan. Richmond Hill, Vaughan and Markham, in their growing days, chaired many joint ventures, and we continue to share our hospital. Also, when I was an elected hydro commissioner, at that point in time the province decided to deregulate hydro, and Richmond Hill's council, which I was not a member of then, decided to sell, and Markham and Vaughan purchased the hydro. That's where my acquaintance with Mr. Racco began again.

Mr. Tascona: So you're still friendly with him today.

Ms. Wilfert: I'm an acquaintance.

Mr. Tascona: A good acquaintance?

Ms. Wilfert: I know Mr. Racco, but we are not social friends like that.

Mr. Tascona: Because we had one person here last week who was a neighbour, but he wouldn't admit to being a good neighbour; that's another story. But we know you're an acquaintance of Mr. Racco's, strong enough that you'd put his name on your resumé.

On this particular matter, did I understand correctly that you had applied to be on the LHIN?

Ms. Wilfert: Yes.

Mr. Tascona: In what capacity? The board of directors or CEO?

Ms. Wilfert: No, just on the—

Mr. Tascona: Just on the board of directors.

Ms. Wilfert: Yes.

Mr. Tascona: And you weren't successful?

Ms. Wilfert: No. The time had apparently passed.

Mr. Tascona: Okay. So the dietitian position came open.

Ms. Wilfert: Yes, that's correct.

Mr. Tascona: Who told you about that?

Ms. Wilfert: The Ministry of Health.

Mr. Tascona: Who in the Ministry of Health?

Ms. Wilfert: Mr. Smitherman's office.

Mr. Tascona: So Mr. Smitherman's office arranged for you to be able to apply for this appointment.

Ms. Wilfert: It was suggested that I might be interested in this appointment.

Mr. Tascona: Who in Mr. Smitherman's office made contact with you?

Ms. Wilfert: I'm sorry, I'm going to mispronounce his name, a gentleman by the name of Mr. Shamsul Islam.

Mr. Tascona: Do you know what position he was in?

Ms. Wilfert: No, I don't.

Mr. Tascona: From there, you made your application. Did you have any more involvement with the Ministry of Health before today?

Ms. Wilfert: None whatsoever.

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Mr. Tascona: What's your understanding of the role of this particular council for dietitians? It's a self-governing council. What's your understanding of its role?

Ms. Wilfert: Its mandate states that it's to protect the public. More and more of us are turning to dietitians in various areas—cancer victims, burn victims, people with

diseases, diabetes—and it's important that the public be protected, but at the same time that dietitians be protected in this situation.

Mr. Tascona: Have you had any personal experiences with the profession of dietetics?

Ms. Wilfert: No.

Mr. Tascona: None whatsoever?

Ms. Wilfert: No.

Mr. Tascona: Do you have any prior experience sitting on regulatory or adjudicative bodies?

Ms. Wilfert: No, I don't.

Mr. Tascona: Do you have any understanding of the regulatory framework and objectives set out in the Regulated Health Professions Act, 1991, and the Dietetics Act, 1991?

Ms. Wilfert: Yes, I have done extensive research and studied it thoroughly.

Mr. Tascona: Both of them?

Ms. Wilfert: Both of them, yes.

Mr. Tascona: What's your understanding?

Ms. Wilfert: As an appointed person, you would sit on committees which would hear policy and, if there were complaints, decide whether or not the complaints were warranted and pursue them if they were, and to also be involved should the agency wish to—for instance, the controlled acts legislation.

Mr. Tascona: In 2001, the health professions advisory council released a review that called on appointments to these professional boards to be criteria-based. A number of health colleges have raised concerns about a lack of appropriate knowledge or willingness to make a necessary time commitment to the councils and their committees. I was wondering if I could get your comments on the matter of relevant qualifications and willingness to devote the necessary time to the board.

Ms. Wilfert: I certainly have the willingness to devote to this board. I am a supply teacher, and therefore I have as much time as is required to devote to this board.

As far as having past credentials, I have a great willingness to learn. I feel that it's an agency that I would be very interested in learning about, and I feel that I can bring to the table a great deal of my past experiences.

Mr. Tascona: Is there any compensation for being on this board?

Ms. Wilfert: I think it's a per diem of \$150.

Mr. Tascona: Do you get expenses too?

Ms. Wilfert: Yes, but I live very close.

Mr. Tascona: Where would you meet?

Ms. Wilfert: I believe you meet at Yonge and Finch, in their new building.

Mr. Tascona: So whenever they meet or if you have to do something for the council, you get \$150 a day.

Ms. Wilfert: Yes.

Mr. Tascona: How long is the appointment?

Ms. Wilfert: I believe it's three years.

Mr. Tascona: Those are all the questions I have.

Interjection.

The Chair: Yes, you still have about four minutes.

Ms. Scott: Thank you for appearing here before us today. I see that you originally were interested in the LHIN body. I know there are some changes coming forward in family health teams, community health centres. From your community point of view, what are some changes that you see could be made? There's a lot of reference that there's not enough consultation with dietitians. How do you see them fitting into the reorganization? I don't know if there are clinics that you're familiar with in your area. I know in my rural riding of Haliburton–Victoria–Brock, it's more of a challenge. Family health teams are just getting set up. But being a former nurse, there was never enough time spent on education, diet, health promotion etc. Can you comment on some changes that you'd like to see, whether dietitians become involved at certain health facilities or maybe things in your community that you could speak to?

Ms. Wilfert: As someone who hasn't actually been appointed yet, I would like more information, to hear both sides of the story and to assess, before I would make a judgment.

Ms. Scott: In the schools you have in your area, do they have breakfast programs, lunch programs?

Ms. Wilfert: Yes, they do.

Ms. Scott: I don't know who delivers them in your area. In our area there was a committee, and now it's gone to the school board, which actually delivers and contracts out. Do you have comments on whether you think those programs are sufficient? I don't know if they're in every school; they're not in every school in my area. But should they be in every school? Do you have any comments about their quality or their necessity?

Ms. Wilfert: I really don't. As far as, should it be in every school, I think it depends on the area whether it's warranted or not. As far as the quality, I'm not a dietitian, so it looks all right but I would not really be willing to make a statement.

Ms. Scott: You don't have any adjudicative experience, then, coming onto the board here?

Ms. Wilfert: My Hydro experience: I worked with staff on grievances and worked with the union.

Ms. Scott: Do you feel that you're going to be okay sitting on a body like this with the adjudicative experience that you do have?

Ms. Wilfert: Yes, I do.

Ms. Scott: All right. No further questions. Thank you very much.

The Chair: Ms. Wilfert, thank you very much for your presentation, your interest in the position and your responses to the members' questions. You may step down. You're welcome to stick around for the votes momentarily.

As I mentioned, I'm going to proceed with the concurrence motions. Then we can move on to other business, which contains at least two items.

First, we will now consider the intended appointment of Michael Gough. Mr. Gough is the intended appointee as member of the Ontario Lottery and Gaming Corp. board of directors.

Mr. Parsons: I would move concurrence.

The Chair: Mr. Parsons moves concurrence. Is there any discussion? Seeing none, all of those in favour? Opposed, if any? It is carried.

Mr. Gough, congratulations and best wishes on the OLGC. Don't forget about Fort Erie.

Mr. Bisson: And don't forget about me.

The Chair: There you go—and Mr. Bisson and his bad luck.

We'll now consider the intended appointment of Elke Homsí. Ms. Homsí is the intended appointee as member of the Ontario Rental Housing Tribunal.

Mr. Parsons: I move concurrence.

The Chair: Mr. Parsons moves concurrence. Is there any discussion? Seeing none, all those in favour? Opposed? It is carried.

Ms. Homsí, congratulations and best wishes at the Ontario Rental Housing Tribunal.

Third, we'll now consider the intended appointment of Elizabeth P. Wilfert, intended appointee as member of the council of the College of Dietitians of Ontario.

Mr. Bisson: A recorded vote on this one.

Mr. Parsons: I move concurrence.

The Chair: Mr. Parsons moves concurrence. Is there any discussion on that? Mr. Bisson has asked for a recorded vote.

Ayes

Berardinetti, Gravelle, Oraziotti, Parsons, Smith.

Nays

Bisson, Scott, Tascona.

The Chair: It is carried.

Ms. Wilfert, best wishes and congratulations on the appointment at the College of Dietitians of Ontario.

Mr. Bisson: Boy, it's a good thing there's a majority of Liberals on this committee. Wow.

COMMITTEE BUSINESS

The Chair: Folks, we'll now move to other business, as I discussed. The first item is a Chair's item. Last week, we entered into discussion about the intended appointment of Michael Lauber—a certificate that brought forward a nomination as a member. At that point in time, he was confirmed by the committee as a member. Subsequently, there appeared to be some confusion as to whether he was to be the chair or a member.

I will let members know that they should have in front of them today a letter signed by Premier McGuinty himself with respect to Mr. Lauber's appointment. This is a fresh certificate for R. Michael Lauber to be nominated as chair of the Smart Systems for Health Agency board of directors, dated March 1, 2006. This is a certificate that follows regular process. It is in order. That has now been produced through the Premier, and a copy should be at each member's place.

We can proceed from this point forward as with a regular certificate, this time as chair, for Mr. Lauber. I'll note for the record—I looked back at debate—that members did support, I believe unanimously, Mr. Lauber's appointment as a member of the committee. We can proceed from that point, but I'll ask the clerk to just give a brief background as to how we got to this point.

The Clerk of the Committee (Ms. Susan Sourial):

Members will remember that Mr. Lauber was on the certificate dated December 2 and listed as a member of the Smart Systems for Health Agency board of directors. He was chosen by subcommittee members and appeared before committee on February 15. During the interview process, somebody noticed there was a discrepancy between the order-in-council certificate and the paperwork that the Public Appointments Secretariat had supplied, which is usually the resumé and the position description. The position description and resumé listed Mr. Lauber as being appointed as chair. The order-in-council certificate listed him as being appointed as member. The committee voted on concurrence based on the order-in-council certificate, which listed him as member. Further to my phone calls to Public Appointments Secretariat for clarification, they admitted there had been an error on the order-in-council certificate. It was a clerical error. It should have read "chair," and the appointment had gone through as chair. Public Appointments Secretariat yesterday issued an amended certificate, but still dated December 2, which meant, under our standing orders, that it had expired. So today they issued a new certificate dated today, and that will be sent out to the subcommittee members for their selection process.

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The Chair: Great. Thank you to the clerk. Are there any comments or questions about Mr. Lauber's new certificate as chair?

Mr. Bisson: If we want to call him, we'll call him; if we don't, we don't.

The Chair: Yes. It was viewed by the committee as a new certificate, so the usual process applies. As I said, my recollection was that members had agreed unanimously that Mr. Lauber was well suited for the position that was brought forward before. Members can decide whether they need to call him again or not. But there seemed to be support for him with the last certificate. Mr. Tascona?

Mr. Tascona: The government is saying this was a clerical error, but I just have to ask you: Was there or is there an opening with respect to the position that he was brought in front of us for? He was brought in front of us for the position of director. Was there an opening for the position of director?

The Chair: Member?

Mr. Tascona: Mr. Lauber. He came before us to become a director.

Mr. Gravelle: Member.

Mr. Tascona: Member—well, member, board of directors.

The Chair: Are you asking is there now a new member position opening up if he becomes the chair?

Mr. Tascona: Yes. I'm wondering what the sequence is here. Was it just strictly a clerical error and saying, "Well, you know, there was no member and we should have put down 'chair,'" or is there now an opening for a member, now that this chap is going to be made chair through this process? Do we know?

The Clerk of the Committee: I don't know. I can follow up with Public Appointments Secretariat.

The Chair: In my view, as Chair—and I do appreciate all the hard work that our clerk, Ms. Sourial, has done on this—I don't think there was any intention to slip something by the committee. I do believe it was a clerical error. I appreciate the appointments secretariat and the Premier responding to get us a fresh certificate today.

Mr. Tascona: I've got the Hansard on this that Susan was kind enough to provide us, and Mr. Lauber, throughout the transcript, was pretty clear that he was there for chair in response to questions. The Chair, Mr. Hudak, ended it off with—I'll quote the Hansard: "We have to follow the technical rules, and technically you were nominated by cabinet as a member of the committee. We understand the legislation then gives cabinet the ability to name who the chair would be among the members who are there. It sounds like it's very well the government's intention to appoint you to that position." Mr. Lauber says, "Thank you. This organization hasn't had a chair since October."

Just based on that comment made by the chair, do we have a role in this in terms of reviewing a chair position, because the chairman was saying that the legislation gives the cabinet the ability to name who the chair will be among the members who are there. I really don't know whether we have a role, based on what the chairman was saying, in terms of who can be the chairman. It would appear to me, based on what the chairman was saying, that you have a number of members who are part of the board of directors, and then the government makes a decision who the chair is. If that's the case, then why would they need a fresh certificate to come before us if we've already approved him to be a member? Is it in their purview, as opposed to ours?

The Chair: I'm not sure how this particular committee functions. My view, as the clerk had indicated earlier, was that we can only respond to certificates that come before us. It sounds like, by Mr. Lauber and what we've learned since, it was the government's intention to appoint him as chair from the beginning. They did send a certificate, however, to the committee that said "member." We voted on that, whether it be a member or not. Since then, we've been in communication with the appointments secretariat. We do have a fresh certificate, which I think reflects the government's original intention, which was to make him the chair of the committee.

Whether there's another opening for a member or not, I don't know. This committee has the right to interview Mr. Lauber again in the capacity as chair, but as I said

before, I reference the previous discussion where it seemed members were satisfied with his competence as a member.

Mr. Tascona: My only question is whether the government really needs to do this, whether they can do it through legislation as opposed to needing to name somebody to be the chair. Based on your comments, it would appear they didn't need to. The fact that they come back and say, "Oh, he's going to be the chair," obviously you have to be a member before you can become the chair. It's sort of like almost both; you're going to become a member and the chair at the same time.

Mr. Larry Johnston: It happens.

Mr. Tascona: It happens; I know. You'll have to deal with this, but it's a little confusing when the person comes here thinking he's one thing and we're dealing with something else.

The Chair: For sure. I think everybody finds it regrettable that the original certificate that was provided to the committee by the Public Appointments Secretariat did not say "chair"; it said "member." We can only vote on those that come before the committee. I am pleased, and appreciate the work our clerk has done in the communication with the secretariat, that we do have a fresh certificate on the table today.

Mr. Parsons: I want to reinforce what you said. As I'm sure all of you understand, the process of preparing the paperwork involves more than one individual, and there was what is a very rare breakdown in communications on this one. It was the government's intention that the original document should have said "chair." It is certainly not our intention to bypass the committee and remove the right to interview the candidate as chair. So it has been reissued and identified as "chair."

It was a breakdown. I regret that. It happens and, I'm sure, even in previous governments. It happens very seldom but it was a minor error, and so it is our intention that if the committee wishes, the candidate can be interviewed.

Mr. Tascona: I accept Mr. Parsons's apology. That's fine.

The Chair: Mr. Bisson.

Mr. Bisson: Two things very quickly. One is a follow-up on the point made by Mr. Tascona. Was there actually a vacancy for a board member when the appointment was made? I'd like to know the answer to that question, because if there wasn't, obviously there's something wrong with our committee that wouldn't have picked that up. So I want to know. When appointments are made, I take it we make sure there's an appointment that's vacant. Right, Susan?

The Clerk of the Committee: Our starting point is the order-in-council certificate. That's the only document I can go by, so I have no idea what happens in the process to lead to the order-in-council certificate.

Mr. Bisson: If I understand correctly, then technically we could end up in a situation where there's a certificate that comes before us for an appointment to a board on which there's no vacancy, and we wouldn't know.

The Clerk of the Committee: No.

Mr. Bisson: Well, that's a problem.

The Chair: There is, however, the Public Appointments Secretariat, right, for the full-time, that is supposed to be responsible to ensure that there's an opening there. That's more or less their job, not ours.

Mr. Bisson: No, no. I hear you. Anyway, I think you know where I will go with that one, but I'm not going to get into that debate today. Can you double-check from research to see in fact if there was a vacancy? I'm just kind of curious.

Mr. Johnston: Yes.

Mr. Bisson: The other thing is, has this particular appointee been acting as chair since the appointment?

The Clerk of the Committee: I don't know the answer to that. I know the appointment went through. Whether he has started his position or not, I don't know.

Mr. Bisson: I'd like to also know if he's been acting as chair. Do you have the answer, Mr. Parsons?

Mr. Parsons: He has not been acting as chair. In fact, there is some urgency for this organization to get moving, but they are at the present time still waiting for—

Mr. Bisson: There's a vice-chair there, I take it? There's a vice-chair, like most other commissions, who's acting as chair?

Mr. Parsons: I can't say with certainty, but the information I've been given is that the board is very anxious to have a chair there. They want that leadership person to be—

Mr. Bisson: Can I have research get back to me on those two points: Has he been acting as chair since the appointment, and was there a vacancy for a member when we did the appointment?

The Chair: Absolutely.

Mr. Bisson: Any other business?

The Chair: I'll conclude that issue then. The certificate has been produced. We appreciate that.

Other business, Mr. Parsons?

Mr. Parsons: No; it's been resolved. Thank you.

The Chair: Any other business?

Mr. Bisson: I'll just follow up from a short conversation we had in the House and a quick one we had at the end of the last meeting, and that is to set up a subcommittee meeting date so we can talk about maybe each of the parties selecting an agency that we may want to review possibly this summer or when this committee has some time. I'm just wondering if you have any report back to us on that, Chair.

The Chair: Thank you for reminding me, Monsieur Bisson. This is part of my concluding comments. I am going to call a subcommittee meeting for Tuesday, March 28, the second day that the House resumes.

Mr. Bisson: Tuesday, March 28?

The Chair: March 28. As members know, this committee does have the ability to call for review agencies,

boards or commissions themselves. There was some discussion among House leaders that I caught up with yesterday. So we will discuss that and how we could move forward on Tuesday, March 28. I'll have the clerk contact the members of the subcommittee for a good meeting time.

The clerk and the research department have done a paper on how this has worked in the past for members' consideration. We could follow that process or we could move forward with a new process; we could work that out at subcommittee.

Mr. Bisson: What time?

The Chair: I haven't set a time. I'll have the clerk call around to the three members of the subcommittee and see what we can do. But I thought March 28; that way—

Mr. Bisson: Can I just keep it simple? If we can do it right after QP, that would be fine by me.

The Chair: Okay. We'll call around to make sure that it's suitable.

Mr. Bisson: I'm just saving you time right now.

The Chair: I appreciate it.

Mr. Bisson: I know Susan is very busy, and if we can help her out and make her job simpler, this is what we can do.

The Chair: We will take Mr. Bisson's advice and we will see if the other subcommittee members are available after question period on Tuesday, March 28.

Our next regularly scheduled meeting is Wednesday, March 29, at the same time. There will be a difference, however. Our clerk, Susan Sourial, is moving on. She has been drafted to serve in another committee. We do appreciate her efforts, her hard work at the standing committee on government agencies. For the record, she will be greatly missed. We made her last day and last week very exciting with respect to the most recent Lauber certificate story, so I do want to—Mr. Bisson?

Mr. Bisson: A question—first of all, I wish you well. Where are you going, and who's taking your place?

The Clerk of the Committee: I'm still with committees, just going to two different committees.

Mr. Bisson: I know. What committees are you going to?

The Clerk of the Committee: General government and regulations and private bills. Tonia Grannum will be clerk for government agencies.

The Chair: There you go. So on behalf of the committee, I thank Susan for all of her efforts. She will be missed.

Mr. Gravelle: Absolutely.

The Chair: We'll still see her around, just not sitting to my right-hand side. Thank you, Susan.

Folks, thanks very much. We are adjourned until March 29.

The committee adjourned at 1124.

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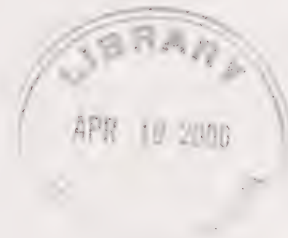
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Standing committee on government agencies

Intended appointments

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GOVERNMENT AGENCIESCOMITÉ PERMANENT DES
ORGANISMES GOUVERNEMENTAUX

Wednesday 29 March 2006

Mercredi 29 mars 2006

The committee met at 1007 in room 151.

SUBCOMMITTEE REPORTS

The Chair (Mr. Tim Hudak): Good morning, folks. I'm going to call the standing committee on government agencies to order for our regular meeting on Wednesday, March 29, 2006. Our first order of business is to welcome our new clerk, Tonia Grannum. Folks here have worked with Tonia in the past, I'm sure. She's an outstanding clerk, and we welcome her.

The Clerk of the Committee (Ms. Tonia Grannum): Thank you.

The Chair: Her baptism by fire yesterday was at our subcommittee meeting.

We'll start with reports of the subcommittee. The report of the subcommittee on committee business dated March 2, 2006.

Mr. Ernie Parsons (Prince Edward-Hastings): I move adoption.

The Chair: Mr. Parsons moves its adoption. Is there any discussion on that report? Seeing none, all those in favour? Any opposed? It is carried.

The next order of business is a report of the subcommittee on committee business dated Tuesday, March 7, 2006. Any adoption motion?

Mr. Parsons: Adopt it, because it was a good one.

The Chair: Mr. Parsons particularly recommends this subcommittee report. Is there any discussion?

Mr. Joseph N. Tascona (Barrie-Simcoe-Bradford): Can I ask him why he's so—can you tell us, Mr. Parsons?

Mr. Parsons: Was I speaking too fast or something? It looks good.

Mr. Tascona: Okay. Is it maybe because there were no selections?

Mr. Parsons: Yes.

Mr. Tascona: Okay.

The Chair: Any further debate? Seeing none, all those in favour? Opposed? That is carried.

The next order of business is a report of the subcommittee on committee business dated Thursday, March 9, 2006.

Mr. Parsons: I move adoption.

The Chair: Mr. Parsons moves its adoption. Any discussion on this one?

Mr. Gilles Bisson (Timmins-James Bay): What was that one?

The Chair: That was Thursday, March 9, 2006. Seeing no discussion, all those in favour? Opposed? It is carried.

Extension of deadlines: Pursuant to standing order 106(e)11, unanimous consent is required by the committee to extend the 30-day deadline for consideration for the following intended appointee: Erin Netzke. Erin Netzke is the intended appointee to the Grey-Bruce Community Care Access Centre. Do we have unanimous consent to extend this deadline to May 2, 2006? Agreed.

Pursuant to standing order 106(e)11, unanimous consent is required by the committee to extend the 30-day deadline for consideration for the following intended appointee: Lorna Marsden, intended appointee to the GO Transit board of directors.

Mr. Tascona: How come the extension is needed at such a late date?

The Chair: I think it's just a matter of scheduling. Ms. Marsden is the—what's the proper term?—chair of York University, or the chancellor; one of the bigwigs at York University.

Mr. Tascona: It's just that it's May 19. It's quite far out there. But if that's the reason, then that's fine.

The Chair: We also have an issue the clerk brought to my attention. There have not been any new certificates, I think, for the last couple of weeks, so we're in a position right now where we probably will not be meeting next Wednesday nor the week after that because of a lack of certificates, to call before members.

Mr. Tascona: That's very disappointing.

The Chair: I appreciate it, but that's also one of the reasons we are recommending Ms. Marsden's deadline be extended to May 19, 2006.

Mr. Tascona: Does that Liberal cabinet never meet? What's going on? We need some appointments for this committee.

The Chair: It looks to be a boisterous day at the agencies committee today.

Mr. Bisson: At least we know what day the Liberal cabinet meets in Ontario, and where they're meeting. As a New Democrat, I don't want to complain. At least I know where you're meeting.

The Chair: All right. Is there any further debate with respect to Ms. Marsden's extension?

Interjection.

The Chair: No, I think we're getting off topic. Seeing no further debate, do we have unanimous consent? Perfect. That is extended, consented to, agreed upon etc.

I'll call members' attention as well to the hard-working research officer to my left. Larry Johnston has kindly provided responses with respect to questions members had on how the agencies appointment process is currently working, particularly on time frames, and a question with respect to Mr. Lauber that we had dealt with a meeting or two ago. Members would have received this already and it's also in your packages, I believe. I thought I would call that to members' attention, not that it's an item of debate, but an item of information.

Lastly, before we get to the appointments review, the subcommittee met yesterday to discuss the calling of agencies before the committee. The clerk has prepared minutes for the subcommittee meeting that have been shared with the subcommittee members. I think the subcommittee members were going to endeavour to speak with members of their caucus, and we're going to reconvene the subcommittee meeting for next Tuesday to finalize that report to bring back to committee.

Mr. Bisson: Next Tuesday. What time?

The Chair: My preference is 1 o'clock. The clerk will call around to confirm, just like we did yesterday.

I'm going to move "other business" to the end of the agenda, so now we can proceed with the appointments review process.

INTENDED APPOINTMENTS

ABDUL SHAKOOR

Review of intended appointment, selected by third party: Abdul Shakoor, intended appointee as member, Scarborough Community Care Access Centre

The Chair: I'd like to call, as our first member for review, Dr. Abdul Shakoor.

Mr. Bisson: As he's coming up, I have a question.

The Chair: Go ahead, Mr. Bisson.

Mr. Bisson: Call him up. My question can be answered while he's walking up.

The Chair: Dr. Shakoor, welcome to the standing committee on government agencies. Please make yourself comfortable on either of those chairs. Dr. Shakoor is an intended appointee as a member of the Scarborough Community Care Access Centre.

Mr. Bisson, did you want to say something first?

Mr. Bisson: Just a question to the clerk: In the packages, I notice that a lot of times it's just the overview of the resumé; no actual resumé. Is there a way that could be included? In this particular case, I have the appointee's background as far as educational background and professional background are concerned, but there's no actual resumé, where he works and all that stuff.

Interjection.

Mr. Bisson: We'll talk about that later. Okay, thanks.

The Chair: Welcome, Dr. Shakoor. I don't know if you've had a chance to see this process before. You're welcome to make an opening address about your qualifications and your interest in this position. Then we'll follow on a rotation basis for any questions the committee members will have. Today's questions will begin with the official opposition. Welcome to the committee. The floor is yours, sir.

Dr. Abdul Shakoor: Good morning, Mr. Chairman, members of the standing committee on government agencies, ladies and gentlemen.

First of all, thank you for the opportunity to meet with you today to discuss the intended appointment to the board of directors of Scarborough Community Care Access Centre.

For your convenience, I'll try to highlight my experience, skills and expertise that will assist the work of the board. I have completed my Bachelor of Science degree in engineering, and master's and PhD. degrees in economics. I have served for 25 years, directly or indirectly, a diverse population of all ages in the areas of education, planning, energy, information, culture, health care, disability, international relations, relief, humanitarian assistance, administration, human resources, human settlement, water and sanitation, peace building, research, social studies, economic studies, assessment, evaluation, capacity building, access control, marketing, customer relations, efficiency, cost reduction and business development.

I have worked for Development Vision—it's a consulting firm, a UK organization; University of Manchester; World Bank; United Nations development program; UNCHS—that is the United Nations Centre for Human Settlements—Habitat; UNESCO; UNICEF; UNIDO; WHO—that is the World Health Organization; ILO—the International Labour Organization; ICRC; Oxfam; CARE; ADA; International Assistance Mission; NADA—the National Association for the Disabled of Afghanistan; PSFO—Peace, Solidarity and Friendship Organization; and MOP—Ministry of Planning.

I have served in Canada, Afghanistan, Liberia, Sri Lanka, Philippines, Central Asia, Pakistan and India.

Health care and social services become one of the most important concerns that matter to all people. The combination of my sophisticated and multidisciplinary expertise and strong managerial, coordination, leadership, research, analysis, policy, strategy and consulting skills, as well as my interpersonal communications skills in three Asian languages, understanding of a diverse community, and also working knowledge of computer-related technology, make me fit for this appointment.

I am confident that my personal and professional integrity and input will enhance the work of the board.

Thank you for your time. I think three minutes; I hope one minute per party. I am happy with that. Thank you very much.

The Chair: Thank you, Dr. Shakoor, for the opening comments and your interest. As I said, any questions begin with the official opposition, Mr. Tascona.

Mr. Tascona: Thank you for joining us here this morning. I just have some elementary points to get out of the way that we do at these committees. Who is your MPP?

Dr. Shakoob: I think Mrs. Chambers, for provincial. I think Minister of—

Mr. Tascona: Children's services.

Dr. Shakoob: Children and youth.

Mr. Tascona: Are you a member or have you ever been a member of the provincial Liberal Party?

Dr. Shakoob: No.

Mr. Tascona: Have you ever made a financial contribution to the provincial Liberal Party?

Dr. Shakoob: Never.

Interjections.

Mr. Tascona: Have you ever been a member of the federal Liberal Party?

Dr. Shakoob: Actually, I love politics. That's my nature.

Mr. Tascona: Have you ever been a member of the federal Liberal Party?

Dr. Shakoob: I have been before, but not now.

Mr. Tascona: Oh, okay.

Dr. Shakoob: For one year. For the time being, I'm non-partisan. But I love politics. I support any idea of any party which is good for people.

Mr. Tascona: Now, Mrs. Chambers—did you have any discussions with her about this appointment?

Dr. Shakoob: Actually, I don't know her. It's my own knowledge that I know she's our MPP.

Mr. Tascona: So how did you go about applying for this position?

Dr. Shakoob: I have no idea.

Mr. Tascona: No, how did you come to apply for this position?

Dr. Shakoob: I actually applied online on a government website, which is the federal government and also provincial. It was three or four times I applied. Fortunately, recently I received a call from a government office, which is the first call I got. I think it was the Appointments Secretariat. They called me and sent a document to complete. The process is about a month. I'm in the process, and finally today I got an opportunity to be here with you.

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Mr. Tascona: Okay. Why are you interested in this particular appointment?

Dr. Shakoob: Maybe you reviewed my resumé, and also I gave the main points. My background—I'm a humanitarian, just about 20 or 25 years. I work with different organizations, with the nature of all of them similar to this work. Frankly speaking, I applied for any type of job that goes with my nature, but this is the first response I got. I applied also for the Ontario Energy Board, but I have not received a response—because I have lots of experience on that side. But this is the response I got.

Mr. Tascona: What do you hope to accomplish by being a member of this organization?

Dr. Shakoob: I reviewed about this access centre in general, its background and what is the situation today, and Bills 130 and 36, which were newly—let's see how it's going on. Still, I think I'm in the very preliminary stage to tell you really precisely what I can do there, what clearly is a transition period. But with the background I have, with the experience I have, where I did similar things before—for example, if you see the evaluation that we did, we evaluated the European Union-funded projects. They hired us and we re-evaluated their management, and we proposed to them that they change the organization, which now we'll see, what is going on in the health system in Ontario. So I hope I can use that knowledge in this context which today we have in Ontario, and particularly in Scarborough. I'm sure that, after studying and researching that, I come with some conclusion, with some idea or vision to share with my colleagues on the board, and with other stakeholders. Let's see—

Mr. Tascona: Have you had any experience, you or your family or friends, with a community care access centre?

Dr. Shakoob: Some of the friends.

Mr. Tascona: What has your experience been with this community care?

Dr. Shakoob: They actually use the services through the access centres.

Mr. Tascona: Has it been a positive experience?

Dr. Shakoob: Yes. We have elderly people in long-term hospitals. They stay there. Also, we know that they get some assistive services at home. We know about that through our relatives and friends.

Mr. Tascona: I'm not getting on what you can do in terms of your past—you've talked about that—but, what do you hope to accomplish? What are your objectives?

Dr. Shakoob: My objective is really that I put all my efforts just to contribute to this committee, to this board, to help the health system as a whole and also the centres. I mean, it starts with itself, and also it's a part of the system, and it would be helpful for Ontarians, in particular in Scarborough, where I work.

Mr. Tascona: Okay, that's fine. I have no other questions.

The Chair: Mr. Bisson.

Mr. Bisson: Thank you, and welcome to our committee. I have a couple of questions. You know that the board you're going to basically is responsible for providing services in the community so that people can live at home independently; for example, a person is elderly and needs to have support services at home. The community care access centre, whose board you'll take part in, is responsible for making sure that the services to help the person live at home independently is there. Conversely, if somebody is disabled and would normally have to live in an institution but could live at home independently, again, services are provided within a community in order to assist. That's basically what community care access centres do.

I guess my question is this. As you know, under the former government and under this government, community care access centres tender services out. For example, if they need somebody to do housekeeping, they could ask for requests for proposals for people to come in and to bid on that. I want to know what your views are. Do you think that that bidding process should be restricted to the not-for-profit sector, or should the private sector be allowed to bid in as well?

Dr. Shakoor: That's really a very good question. I thought also about that when I read the document. I did my own research, because my knowledge is only based on the research; I've never been on the board. I don't really know the situation, what's going on there. Principally, I think that's the right of every citizen and every Ontarian, to get the service. But we will count that about the non-profit organization and private sector. That's something that really depends on lots of other factors, which would be very difficult for me at this stage to comment on.

When I'm on the board, I'm working, I evaluate the situation, maybe I can give you a precise answer to that. But I'm really in favour of it. I work in a non-profit organization. At this stage, in this knowledge which I have, I'm really in favour of that side, but maybe I'm not right at this stage because I have not enough information.

Mr. Bisson: So let's speculate. Let's say there is a request for proposal that's being tendered for housekeeping services and some private company says, "I can come in and do it cheaper." Do you think they should be allowed to bid in? Do you think they should be allowed to put their bids in and do you think the private sector has a role to play in the delivery of health care?

Dr. Shakoor: Of course. The private sector will always, I think, play a great role in the socio-economic development of this country. The point really at this stage: I look for—quality is something I always look for. Transparency I look for. Accountability I look for. Price is also one of the factors. So these are also important, and price is another one. And there are maybe other criteria. At that time which we have this criteria, we should see on the basis of all these.

Mr. Bisson: So you don't reject the concept that the private sector should not be allowed to operate within the public health care system?

Dr. Shakoor: Yes, you're right, I'm not really absolutely against. But I want a balanced role for the private sector, not really—

Mr. Bisson: Go ahead, you were saying something.

Dr. Shakoor: The private health sector in some countries is very strong, which I don't see in Canada and Ontario that type. But we may give a little bit more room to the private sector to see how it works. That's for the quality reason.

Mr. Bisson: You will know that, in Canada, that is an increasingly larger debate vis-à-vis what other provinces are doing, namely, Quebec, Alberta and British Columbia, to be specific. And also this new federal government under Stephen Harper, which has a different approach.

There are people, myself included, who have some very serious concerns with the encroachment of the private sector in the health care system. So that's why I asked you the question. You're saying, if there's a role for them to play—

Dr. Shakoor: I have the same concerns.

Mr. Bisson: But you're saying, if the private sector has a role to play, let them in.

Dr. Shakoor: No, just at this stage—that's why I say, in the information which I have today. But when I am on the board, I'm sure I'll get more information and learn more. So on that basis, maybe I give a precise answer to this.

Mr. Bisson: Let me ask you this other question. What I'm noticing, and I'm sure other members are seeing it in their constituencies as well, is that agencies such as community care access centres have had increasingly more demand on their services because the population is aging and we're now providing more and more services in a community, but the budgets really have not kept up, and that's an unfortunate reality. Let's say, in your capacity as a community care access centre, you're facing a decision of how to provide services to your community. Do we ration services? In other words, rather than giving, let's say, 35 hours a month service, we're going to drop it to 33 or 32, or would you be averse—I guess the question is, would you do that before asking the government to provide more funding? Do you see your job politically as well as saying, "Listen, the board at one point has to make a decision: Do we provide services?" and if there's not enough money, are you prepared to lobby the provincial government publicly and privately in order to increase the funds for the community care access centres?

Dr. Shakoor: Absolutely; I agree with you. When I also read the material, when I saw the budget—one point four six something I saw there; maybe it was precise or not, but that was the figure I got. Also, I learned that 21% of the needy people now do not get it, compared to the five years before. These are the questions that come in my mind that I have not really answered today. About the budget: Now I understand that really the budget is not enough. The first thing we should look for: budget. Because health, I think, is the right of every—

Mr. Bisson: Just so you know, I think the former government was wrong, because they muzzled the CCACs. And at one point, they didn't even muzzle them; they fired them, because they were lobbying the provincial government, both publicly and privately, to provide more funding. We're now having to deal with that, being the Legislature—I'm a New Democrat; I'm not a Liberal. But they're having to deal with what to do next.

1030

I ask you that question because I need to know this before we vote on your appointment. I think you've already answered that you're there to serve your community and not to serve the government. At the end of the day, if it means more money is needed, you have no aversion to doing what needs to be done, publicly or privately, to lobby for more funds.

Dr. Shakoar: Actually, you know what we can do? I saw another point about these 1,000 contractors. That was also very interesting for me. I'm not saying at this stage that the funds—that is a big thing to answer, I think. On my level it's very difficult. But there could be different things about the efficiency that I mentioned, about accountability, transparency. I'm not sure how it is. When I'm involved, after I see, I go and do my research in depth and find out what is really going on in the present situation.

Budgets—it's easy. Always we can ask, "We need more budget, more budget," but we should also see other things. Budget is one side. And also we should correct other—the system itself is very important, particularly with the new Bill 36. But the new transition, for example, the community care access centres, from 42 to about 40 now. I see the number come down. But after, they want to give more authority. I need to learn about that, what is the motive behind all these things. At that time, after four or five months, maybe I could give you a precise answer.

Mr. Bisson: I'm just going to end on this point, and you don't have to answer. You're going to be hard-pressed to try to make the case that these organizations aren't efficient. I believe CCACs have been doing an extraordinary job, and I'm sure most of the government members will agree with me. It's not a question of bloated bureaucracies. We're getting to the crunch, where we have an aging population, increasingly more so every year, and we're really challenged to figure out how to provide services in the community, because the offset is that if we don't do it in the community, we've got to put them in an institution, which is much more expensive. That's why I asked you those questions. Thank you.

The Chair: To the government side

Mr. Parsons: We have no questions.

The Chair: Thank you very much, Dr. Shakoar, for your responses to members' questions and for your presentation. We appreciate your time.

Dr. Shakoar: Thank you very much for the opportunity.

The Chair: You're welcome to stay if you have the time. We'll move to our concurrence votes after the intended interviews, so about an hour to an hour and a half's time.

JILL PRESSER

Review of intended appointment, selected by third party: Jill Presser, intended appointee, Consent and Capacity Board.

The Chair: Our next interview is with Jill R. Presser. Ms. Presser is an intended appointee as a member of the Consent and Capacity Board. Welcome to the standing committee. You have been here in rapt attendance and attention and you've seen how the process works. You're welcome to make some opening comments on your interests and your background. Following the rotation, any questions will begin with Mr. Bisson. Ms. Presser, the floor is yours.

Ms. Jill Presser: I thank you very much for affording me the opportunity to talk to you in regard to confirming my appointment to the Consent and Capacity Board.

First, my professional background and credentials: I am a lawyer. I was called to the Ontario bar in 1997. Since that time, I have practised in the area of criminal and quasi-criminal law. In private practice, I have represented criminally accused persons at trial and on appeal. Of particular relevance to my proposed appointment to the CCB, I have represented numerous criminally accused persons with mental health issues. I have appeared with them and on their behalf in the special mental health court, in the criminal courts, and at the Ontario Review Board. At times, I have also represented family members of criminally accused persons with mental health issues, to help them navigate the justice system and ensure that their voices were heard where appropriate in the system.

After becoming a mother in the spring of 2000, I gave up my full-time criminal defence practice. In the fall of 2001, I started prosecuting criminal offences for the provincial crown on a part-time, per diem basis. I continued prosecuting on this basis until January 2003, and started again in October 2005, after my second child was over a year old.

While working part-time for the crown, I have also established a part-time law practice of my own, principally involving work on criminal appeals, doing research and writing, and then appearing at the Court of Appeal for Ontario for the hearing of the appeals.

I have published a number of articles in legal journals, and two of them have been cited in decisions of the Supreme Court of Canada.

I have a strong history of community service and volunteer work. Currently, I'm representing my neighbourhood association, the Summerhill Residents' Association, on the 53 division community police liaison committee. I'm currently acting as a volunteer peer counsellor in the University of Toronto postpartum depression peer support trial study.

If you affirm my appointment today, which I ask you humbly to do, the people of Ontario will be getting a board member with demonstrated high competence in legal research and writing, skills which are in demand in boards like the CCB, which generate a high volume of written judgments. Ontarians will also be getting a board member with demonstrated focus, judgment and sensitivity as to the complex nexus of mental health and justice. I look forward to augmenting my existing body of experience in this area with the kind of intense training and practice that can only come with appointment to this board.

I ask you humbly to allow me the opportunity to serve on this important board on behalf of all Ontarians, and I thank you for your consideration. I welcome any questions.

The Chair: Outstanding, Ms. Presser. Thank you very much for your opening remarks and presentation.

Ms. Presser: Thank you, Mr. Chair.

The Chair: Monsieur Bisson, the floor is yours, sir.

Mr. Bisson: I've only got a couple of very simple questions. I know why you're applying. Obviously, you have the qualifications to do so. How did you come about finding out about this particular appointment?

Ms. Presser: As I mentioned in my opening remarks, Mr. Bisson, I've long been interested in mental health issues, particularly as they come into contact with the justice system, and dealt with those issues in my criminal practice, and also appeared before the ORB. So I've long been aware of the ORB and, coincidentally, the CCB as well. I have a brother who's a psychiatrist in the province. He's appeared before the CCB, and we've talked about that on a number of occasions. I also have some friends who are lawyer members of the ORB and the CCB. I've talked about the work of the board with them.

Most recently, a friend of mine who sits on the CCB and the ORB as a lawyer member encouraged me to apply and indicated that she thought there might be an opening coming up on the CCB, and so I applied in September.

Mr. Bisson: Where are you from again? I'm sorry.

Ms. Presser: Toronto.

Mr. Bisson: Toronto? Okay. Basically, this is of your own interest that you've made an application. You weren't approached by any MPP or Liberal member etc.?

Ms. Presser: Correct.

Mr. Bisson: Okay. That's all I've got.

The Chair: We're going to be ahead of time today. Thank you, Monsieur Bisson. Government members?

Mr. Parsons: We have no questions, thank you.

The Chair: You're all happy.

Ms. Presser: Thank you.

The Chair: You're on a roll. Official opposition?

Mr. Tascona: Who's your MPP in Toronto?

Ms. Presser: George Smitherman.

Mr. Tascona: George Smitherman? Okay. Have you ever been or are you currently a member of the provincial Liberal Party?

Ms. Presser: I'm not currently a member of the provincial Liberal Party, but I may well have been in the past. I am a member of the federal Liberal Party. I've also, in the past, been a member of the federal and provincial Progressive Conservative Parties, as they then were.

Mr. Bisson: What have you got against us?

Ms. Presser: Nothing at all.

Mr. Tascona: Have you made any financial contributions to any political party?

Ms. Presser: Yes, I have.

Interjection.

Mr. Tascona: Gilles, do you want to start questioning her?

Ms. Presser: I've donated, in most recent memory, to the provincial and federal Liberal Parties, and in the past I've also donated to the Conservative Party.

Mr. Tascona: Did you have any involvement in the last provincial election with Mr. Smitherman and his campaign?

Ms. Presser: No.

Mr. Tascona: No? Okay.

What are your hopes and objectives with respect to this particular appointment, the Consent and Capacity Board? What do you want to achieve?

Ms. Presser: I would very much look forward to the initial training period, because I know I would have the opportunity to expand greatly my knowledge in this area, and that's exciting to me. As a member of the board, I would look forward to having the opportunity to sit in hearings in an adjudicative capacity and adjudicate fairly; so apply the law, that you all as elected members have given us, to the facts of each particular case and come to a fair, legal determination.

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Mr. Tascona: But do you have any opinion with respect to things that could be done better in this particular area on the Consent and Capacity Board that you'd like to see done? There are a number of issues that they take with respect to informed consent and treatment and things like that. Is there anything that you'd like to see done?

Ms. Presser: With respect, I don't think it's appropriate for an adjudicator to take a position on political issues that may come before the board. As an adjudicator, one's role is to apply the law, as it's set out, to the facts.

Mr. Tascona: I realize that. I'm a lawyer myself, but the thing is, there are issues facing the Consent and Capacity Board. There are issues with respect to determining whether patients may pose a threat. Are you familiar with that issue?

Ms. Presser: Yes, I am.

Mr. Tascona: Do you have any thoughts on the role of the board in protecting the public from potentially dangerous persons?

Ms. Presser: My view, sir, is that the role of the board is to apply the law, as it's been set out by legislators and as it's been interpreted previously by the board and by higher courts, fairly and impartially to the facts that come before it. I'm not trying to be evasive—I'm really not—and I appreciate your sensitivity as a lawyer to this issue, but when you appoint somebody to be an adjudicator, I know you're looking for somebody who has the ability to apply the law that democratically elected legislators provide for the people of Ontario, and that's what I would do.

Mr. Tascona: But, you know, this committee has a bit of a broader role too. We like to know what people think. I know you know what the role is in terms of applying. There are other issues, like the Personal Health Information Protection Act. With the passage of PHIPA, the psychiatric facility may withhold the patient's record without applying to the board. The health information custodian must only give written notice to the patient of the refusal. The patient may make a complaint about the refusal to the Information and Privacy Commissioner under part VI of the act. Do you have an opinion about the changes to the disclosure law implemented by PHIPA? Are you aware of that?

Ms. Presser: I am aware of it. I wouldn't characterize my knowledge as extremely detailed. That would be one of the things that I would need to learn a bit more about once appointed to the board. I think it would be premature for me to state an opinion until I have more information and more experience on the board.

Mr. Tascona: The Ministry of the Attorney General was involved in the Divisional Court decision under the name of Ontario (Attorney General) and Jane Patient on February 21, 2005. The court ruled that the Consent and Capacity Board does not have jurisdiction to consider constitutional challenges to the Mental Health Act. The Divisional Court ruling was based on administrative law principles, and did not address the question of whether CTOs are constitutional.

The Ministry of the Attorney General doesn't expect the decision of the Divisional Court to be appealed in the Court of Appeal for Ontario. However, the use and effectiveness of CTOs are currently under review for the Ministry of Health and Long-Term Care, as mandated by law, by a consultants' group headed by Stephen Dreezer. The final report was filed in December 2005, but has not yet been made public. Do you have an opinion on the use of community treatment orders?

Ms. Presser: Again, with respect, sir, as a member of the board I would feel bound to apply the law as it stands and deal with the cases on a case-by-case basis as they came before me.

Mr. Tascona: That's fine. How much do you get paid for this position?

Ms. Presser: From what I'm aware from the Public Appointments Secretariat website, it's a per diem rate of \$550 a day.

Mr. Tascona: And do you know how much you'll be working at this? Did they give you an idea of how many days?

Ms. Presser: It's a part-time appointment, from what I'm aware, and the website estimates approximately five days per month. However, I think that is really variable because the board's hearings are triggered by patient requests for hearings. So from what I understand, it could be more, it could be less.

Mr. Tascona: You say you're currently, if I understood you correctly—are you practising law in any capacity?

Ms. Presser: I am. I prosecute Criminal Code offences on a part-time, per diem basis for the provincial Attorney General. I also do some appellate work. But all the work that I do is part time. I currently work about three days a week, so I do have the time to serve on this board.

Mr. Tascona: Do you want to add anything with respect to this appointment for the committee? Is there anything else you've got to add?

Ms. Presser: Nothing, just to thank you very much for your consideration and to ask for your support of my appointment.

The Chair: Mr. Tascona, thanks very much.

Ms. Presser, John Matheson said some nice things about you. You're a friend of John's?

Ms. Presser: Yes, I am.

The Chair: Well, we won't hold that against you. Thank you very much for your presentation and your responses to the members' questions. You're welcome to stay with us. We'll move to our concurrence motions in about 45 minutes' to an hour's time.

Ms. Presser: Thank you all very much.

PAUL DEVILLERS

Review of intended appointment, selected by official opposition party: Paul Joseph DeVillers, intended appointee as member, Consent and Capacity Board.

The Chair: Our next interview is the Honourable Paul Joseph DeVillers. Mr. DeVillers is the intended appointee as member of the Consent and Capacity Board. Of course, folks remember that Mr. DeVillers had served as the member for Simcoe North since 1993, if I am correct.

Mr. Paul DeVillers: Correct.

The Chair: Sir, welcome to the standing committee on government agencies. You've been here for a bit, so you're welcome to make a presentation about your interest and your background, and then any questions will begin with the government members.

Mr. DeVillers: Thank you for the opportunity of appearing here this morning. As you indicated, I am a former member of Parliament for the riding of Simcoe North, but I don't believe that it's necessarily my political background that qualifies me to sit on the Consent and Capacity Board. There are some skills that I've acquired during that time that may contribute, but basically it's my legal background.

I was born and raised in the town of Penetanguishene. I practised law for 23 years prior to entering politics. During that time, I concentrated on municipal law and am familiar with the administrative tribunal process. I also worked summers at the mental health centre in Penetanguishene and am familiar with the mental health system.

As a practising lawyer, I appeared before the Ontario Review Board. My interest was in applying for a position on the Ontario Review Board, but when I went to the website, I saw that there were the two boards and that you could make a joint application. After making the application, I had an interview with the vice-chair, Susan Opler, of the Consent and Capacity Board, and was informed at that point that there were no openings on the Ontario Review Board and that this would be an appropriate appointment.

As I say, my background—I practised extensively in administrative law and in Ontario Municipal Board hearings etc.; I'm familiar with the process. In my political experience, I had the opportunity of chairing the national caucus of the government for two years. Most recently, I chaired the standing committee on justice, human rights, public safety and emergency preparedness, so I'm

familiar with the issue of chairing meetings and handling witnesses etc. I understand the role of the lawyer member of the board would be to prepare and write the decisions. That's something that my legal background, I believe, prepares me for.

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I intend to settle permanently in Ottawa. In fact, our house in the riding has been recently sold, with a closing date in June. So I'll be in Ottawa permanently and would expect, if my appointment is confirmed, to do what work I would be asked to do on the board in Ottawa.

Je suis bilingue. J'ai appris de Madame Opler dans notre entrevue qu'il y a une demande pour des séances qui sont conduites en français, en les deux langues officielles dans la région d'Ottawa, puis je suis disponible et prêt à entreprendre cette tâche.

I think, in conclusion, that my past experience, both legal and the skills I've acquired through my political time, qualifies me for this position on the board, and I ask the committee's endorsement of my appointment.

The Chair: Thank you, Mr. DeVillers. Mr. Parsons?

Mr. Parsons: Absolutely no questions. Thank you.

Mr. Patten: Welcome. If you move to Ottawa, I hope you live in my riding. The need is great for bilingual members of the board, as you've just expressed, and we are exploring and looking far afield, actually, to find that category.

There was one area that I remember Mr. Tascona brought up: the community treatment order issue. I had some involvement in that. Brian's Law actually was taken over by the government, but it was my bill—I presented it—so I got the opportunity to be deeply involved in that issue. Have you had a chance to reflect upon community treatment orders, what that means and how that program is going? As you said, there is a review which was required by the legislation at the time.

Mr. DeVillers: Yes, I'm familiar with the legislation, but I think I have to agree with the previous witness that, as someone who would be asked to adjudicate, it's inappropriate to be giving opinions. I was paid for 13 years to have political experience. I'm no longer paid to have them, and if I were appointed to this board, it should be the legislators who would be contemplating those issues.

Mr. Patten: One last question. Whenever you have a board of this nature—review—while it does require a strong sense of background from a legal point of view, it's the human dimension that really attempts to deal with the spirit of the law, because you can apply the law as it is, which can very often, in certain circumstances, be totally inhuman and unjust, and that's why we have these. So we need people with some compassion. I was going to ask this question of the previous nominee as well. So while you are a lawyer and you have an understanding of the law, it seems to me that we need people who are looking at how thoroughly the assessment was done, what the conditions were and what the history was of this, that and the other thing. While that's within a legal framework, there is some latitude under which people exercise their own personal discretion.

Mr. DeVillers: Yes, and that is the process of reviewing the facts and seeing that all the bases have been covered in the assessment etc. when applying the law.

Mr. Tascona: Thank you for coming here today, Paul. I'm surprised you're going to be moving to Ottawa, but I guess that's your choice. I know you've applied for this appointment. Are you going to be doing anything else besides this particular—

Mr. DeVillers: I have nothing planned at this point. We're involved in raising a grandson. Part of the reason I didn't seek re-election was to be more available to have time with him. He's four years old and he resides with us. So I expect I will be spending a lot of time around the house with him and would have the time to devote to this board.

Mr. Tascona: You're being a little modest with respect to your political background. What cabinet posts did you hold?

Mr. DeVillers: First I was Secretary of State (Amateur Sport) and the deputy House leader; then that became Secretary of State (Physical Activity and Sport) and health, which was inherited, and the deputy House leader. So I had three different roles as Secretary of State in the Chrétien government.

Mr. Tascona: I was interested in your comments with respect to the lawyer role in the Consent and Capacity Board. You know this is being televised, so perhaps you can just explain to us what your understanding of the Consent and Capacity Board's mandate is.

Mr. DeVillers: I think primarily it's to afford a review to people who are retained on an involuntary basis in psychiatric facilities. From what my research has told me, that's about 80% of the work of the board. It's the issue of human rights that interests me, determining that a person is held on good grounds.

Mr. Tascona: How does it come to be that a person would be held involuntarily?

Mr. DeVillers: Often people are behaving in peculiar ways and are brought into psychiatric facilities of general hospitals or the mental health system. As a consequence, they're entitled to a review within seven days, whether they should be permitted to leave that facility. That's when the board would convene and have that hearing.

Mr. Tascona: I obviously haven't appeared in front of the Consent and Capacity Board as a lawyer or in any other capacity. I'm not that familiar with the terms. I know that Janice Laking, the former mayor of Barrie, has been on the board for a number of years and was recently reappointed. What's the makeup? If you come in front of the board, there's a lawyer—

Mr. DeVillers: A lawyer, a psychiatrist and a lay-person is the usual composition of the board. I understand there are times when there can be one board member, but those are rare. I think it has to be a lawyer who is the one board member at that time.

Mr. Tascona: The lawyer's role, as you understand it, is what?

Mr. DeVillers: To make sure that the legislation is properly interpreted and applied to make sure that the

rules of natural justice are applied and to write the decision in a legal context, because these decisions are appealable through Divisional Court and then on up and have gone, as you've cited earlier, right to the Supreme Court of Canada.

Mr. Tascona: Does the lawyer have any role in a questioning capacity?

Mr. DeVillers: The lawyer chairs, so as chair of any committee, he would have the ability to pose questions as well.

Mr. Tascona: To the—

Mr. DeVillers: To the witnesses.

Mr. Tascona: Is the witness normally represented by legal counsel or is there any representation provided?

Mr. DeVillers: My understanding—and again I'm going from the research I've done on this—is that they are sometimes represented, but I think more often than not they are not represented.

Mr. Tascona: That begs the question: Does that concern you?

Mr. DeVillers: No. In that case, I think the role of the chair would be more as an arbitrator in that sense, assuring that the person who's being reviewed is fully aware of the proceedings, and making sure their interests are protected.

Mr. Tascona: We always have some research done on the board and the issues facing the different agencies and boards. There's one, with respect, that I want to read, because I think it would give the public a better understanding of what we're dealing with here, and you may want to choose to comment on it. It's the right to refuse treatment.

"In 1998, Scott Starson was arrested for threatening a neighbour. After a judge ruled that he was not criminally responsible, he was sent to a forensic psychiatric facility. There, he refused the treatment necessary to enable him to be discharged. His psychiatrists determined that he was incapable of making treatment decisions. Mr. Starson appealed this finding to the Consent and Capacity Board, which ruled in favour of the psychiatrists. The case ultimately made its way to the Supreme Court of Canada. On June 6, 2003, the Supreme Court upheld the Ontario Court of Appeal's ruling that Mr. Starson was capable of refusing treatment.

"At the time of the ruling, Anita Szigeti, a lawyer who represented Starson's interests as a 'friend of the court,' stated that the court's decision sends a message to boards in Ontario and other provinces 'to put an end to their paternalism' when dealing with mentally ill persons. On the other hand, Dr. Russel Fleming, psychiatrist-in-chief at the Penetanguishene Mental Health Centre"—which I think you're familiar with—"said the ruling lays the groundwork for a potentially dismal future for people like Starson.

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"Following the decision, Mr. Starson's condition deteriorated to the point where he refused to eat. A new application was made to the Consent and Capacity Board and Mr. Starson was ruled incapable of making treatment

decisions on February 16, 2005. Mr. Starson has since been treated against his will, but with the consent of his mother, his substitute decision-maker.

"Daphne Jarvis, former legal counsel to the Schizophrenia Society of Canada, comments that the Supreme Court ruling has 'given birth to an "unfortunate myth" among some patients, families and health care practitioners that there is no point in going to the Consent and Capacity Board if someone refuses treatment.' Rather, she argues, the court ruled that the board did not have enough evidence to support its finding that Mr. Starson was incapable of deciding on treatment. Joaquim Zukerberg, legal counsel to the board, states that the decision has necessitated that, 'The board (must be) very careful when making a decision to state that we're not here to decide what the best interests of the patient are.'"

Do you have an opinion on the difficult issue of ruling on an individual's capacity to refuse treatment?

Mr. DeVillers: No, no opinion, other than if I were to be confirmed to this appointment, I would look at the legislation, I would look at the recent court decisions, and I would base the interpretation on that. I think the issues that you've discussed there, that the stakeholders are discussing in the citation you just read, are things that the legislators, yourselves, should be reviewing and bringing forward into amendments to the legislation.

Mr. Tascona: Okay. In terms of going in front of the Consent and Capacity Board and in terms of the decisions that are made, a person goes in front of the board and they determine in that person's favour, that they're capable of making decisions, where does that person go from there in terms of that process?

Mr. DeVillers: I'm sorry. If the board says that they are capable of making a decision?

Mr. Tascona: They are capable.

Mr. DeVillers: I would presume, then, that they're just free to go and make those decisions.

Mr. Tascona: Free to go. And if they say no, that you're not capable, what would happen to that individual?

Mr. DeVillers: Well, then, under the terms of the Mental Health Act, I think the attending physicians have authority to retain the person.

Mr. Tascona: And do you know when that person would be able to challenge that—I know they can challenge up through the courts, but is there a period of time that would have to lapse for them to come back?

Mr. DeVillers: Yes. In the act, there are various periods of review for the different levels of certifications, we used to call it under the old act.

Mr. Tascona: Thanks very much, Paul. I appreciate it.

The Chair: Mr. Bisson?

Interjection.

The Chair: Certainly. You have the time.

Mr. Bisson: Good luck, and do a good job.

Mr. DeVillers: Thank you very much.

The Chair: Mr. DeVillers, thank you very much for your presentation and your responses to the members'

questions. It's good to see you, live and in person. All the best with the move.

Mr. DeVillers: Thank you very much. I appreciate the committee's time and look for their support.

The Chair: I'm sure Simcoe county regrets the loss, but all the best in the new digs.

Mr. DeVillers: Thank you.

KENNETH BERTRAND

Review of intended appointment, selected by third party: Kenneth Bertrand, intended appointee as member, Renfrew County and District Health Unit Board.

The Chair: Our fourth and final interview is with Kenneth R. Bertrand. Mr. Bertrand, welcome to the committee.

Mr. Bertrand is the intended appointee as member of the Renfrew County and District Health Unit Board. Mr. Bertrand, you hail from which part of that area?

Mr. Kenneth Bertrand: From just outside of Pembroke.

The Chair: Just outside of Pembroke. Welcome to the standing committee on government agencies. I know it was a bit of a drive for you, so welcome, and please make an opening statement, as you see fit, about your interest in the position and your background. Any questions would begin with the official opposition. Sir, the floor is yours.

Mr. Bertrand: Thank you, Mr. Chair, and good morning, everyone. Thank you for the opportunity to introduce myself. I have a short opening statement, which I'll read.

As an intended public member appointee to the Renfrew County and District Board of Health, I bring a variety of experience from my 30-year career with the Ontario Ministry of Finance and five years as a financial adviser, and other skills from other professional and volunteer experience that I believe would benefit the board in its important work.

I retired from the Ontario Ministry of Finance, the property assessment division, as a senior manager. The last two years of my career, I was a senior manager responsible for the implementation of the residential section of the Ontario fair assessment system, which was implemented at the end of 1998. During that time, I was a member of various committees and chaired the committee responsible for the valuation of approximately three million properties across the province.

After retirement, in December 1998, I was asked by MPAC to take a consulting position to coordinate an ISO 9000 project province-wide. I completed this project, and then delivered the report in April 1999.

For the past five years, I have been a financial adviser with Investors Group. Over my career, I have been involved in many projects involving committee work and training and education. I spent five years leading management seminars across Ontario for government managers, and developing training and development policies and procedures for the Ministry of Finance. I also taught

management courses and financial workshops as a continuing education professor for Algonquin College.

I have been involved in a lot of community work over the years, including campaign chairman for the United Way, Upper Ottawa Valley, and vice-president of the board of directors of Community Living, Upper Ottawa Valley. Currently, I am chair of Pembroke/Renfrew County Crime Stoppers. I also chair the community policing committee for Laurentian Valley township, and I volunteer with the VON in the CRA volunteer income tax program, providing income tax services for low-income people, seniors and the disabled.

Apart from this experience related to professional and volunteer work, I have a genuine interest in public health and the ever-increasing role of public health in our community. I am also keen to learn more about it as quickly as I can and to contribute as a member to the health board.

I think I bring a number of qualifications to this appointment. I have a good blend of public and private sector experience; I have sound understanding of provincial legislation and regulations; I have considerable volunteer experience in the community, working for the people of Renfrew county; and I have read and reviewed the Health Protection and Promotion Act, which is the legislation the health boards primarily work under.

I hope these qualifications will assist me in obtaining a favourable consideration for an appointment to this position.

That completes my statement, and I look forward to answering your questions.

The Chair: Mr. Bertrand, thank you very much for your opening comment.

The official opposition, Mr. Tascona.

Mr. Tascona: Thanks very much for coming here today. Who's your MPP?

Mr. Bertrand: The current MPP in my riding is Paul Yakabuski.

Mr. Tascona: John Yakabuski?

Mr. Bertrand: I'm sorry.

Interjection.

Mr. Bertrand: That's right. Paul was his father, who was a member for many years. It's John Yakabuski. Sorry.

Mr. Tascona: Do you have any political affiliation with any party?

Mr. Bertrand: No, I don't at the present time. As a senior manager with the Ministry of Finance, it would have been in contravention of the legislation if I had any political activities at that time. Since then, I have taken a great interest in politics, but I do not have any affiliation at this time.

Mr. Tascona: How is the board of health going to be impacted by the LHINs legislation? Do you know?

Mr. Bertrand: From the facts I have before me, I don't see a lot of impact. I think that probably there has to be a liaison in communication between the LHIN and the board of health, especially in the case of any outbreak

of flu pandemic or something like that. Other than that, I'm not aware of any implications.

Mr. Tascona: Is there anything you want to specifically accomplish while serving on the board of health? Is it a three-year term?

Mr. Bertrand: I believe it can be up to three years—one year, two years or three years—from what I've read.

Mr. Tascona: What are you up for, do you know?

Mr. Bertrand: No, I don't. I would like it to be a three-year, though.

Mr. Tascona: Do we not know that, Mr. Chairman?

The Chair: I'm sorry?

Mr. Tascona: We know he's up for appointment, but we don't know the term, I take it.

The Chair: The term for this intended appointment?

Mr. Tascona: Yes.

The Chair: I don't know if we have the answer right now. Why don't you continue with the questioning. We'll try to get back to you on that.

Mr. Tascona: I don't know whether we've ever asked that question in terms of knowing the terms, but you're not aware of that, though. Is there any compensation for being on this?

Mr. Bertrand: I believe there is. I'm not aware of what it is, though. There was no information on the Public Appointments Secretariat website on remuneration.

Mr. Tascona: Okay. I certainly have no questions. Thanks very much for appearing.

The Chair: Thank you, Mr. Tascona. We'll endeavour to get back on the length of the term. I'm getting the signal from Ms. Smith.

Ms. Monique M. Smith (Nipissing): Three years.

The Chair: It's three years.

Mr. Bisson: Welcome to our committee. I've just got a couple of questions, so I won't keep you too long. I guess my question, simply put, is: In regard to the involvement of the private sector in our public health system, where do you fall on that?

Mr. Bertrand: As it has to do with an appointment to the board of health of Renfrew county, I'm really not sure of what the implications would be. I haven't been given any information or received any training as of this date. I know it's a debatable item in society today.

Mr. Bisson: But generally, where do you fall in that debate?

Mr. Bertrand: I do know that certainly a lot of our medical services—doctors, dentists, chiropractors, for example—are private services as of today, and that has worked well over the years. How far we should go in the privatization of medical care is another issue completely, and I'm sure it will be debated and decisions will be made as the years go on.

Mr. Bisson: Do you have any particular views?

Mr. Bertrand: No, I don't. I'm very interested in it, of course, and I read as much as I can on the subject, but I haven't formed any opinion at this time.

Mr. Bisson: Are you averse to the private sector being involved in the health care system?

Mr. Bertrand: No, I'm not averse. As I said, we have always had some private sector involvement in the health care system, and it has contributed very well to the health of our Ontario residents. I'm not averse to it; I just don't want there to be any adverse effect on the people of Ontario.

Mr. Bisson: A different question: Public health, as you know, is a cost-shared service between the municipalities and the province. There has been some up-loading—I think it's in the right direction—back to the province. Is it your view that that should remain cost-shared, or is it one of the soft services that you think should be more properly funded by the provincial government?

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Mr. Bertrand: Once again, without any briefing or training on the matter, I believe that the ratio of the cost-sharing arrangement can probably be debated. But I know the local municipalities are suffering because of the fear of rising property taxes, so I guess it depends on the cost of health care in the municipalities and whether they can afford it or whether the province has to take a greater role.

Mr. Bisson: Are you aware that most of the responsibilities of the health unit are provincially mandated?

Mr. Bertrand: Yes, I am, under the legislation.

Mr. Bisson: And that the municipalities don't have a lot of say?

Mr. Bertrand: No, that's true.

Mr. Bisson: I'll rephrase the question: With that in mind, do you think it's more appropriate to upload the cost of services to the province so that the municipality can then go and do what it does best on the other end, whatever that might be?

Mr. Bertrand: That makes a lot of sense when it is mandated by the province. However, there are a lot of services that are offered that are very local in nature; for example, water tests for wells, education on sexually transmitted diseases and a lot of the local work that goes on. Some of it could probably be contributed to by the local.

Mr. Bisson: At the end of the day, you're of the view that there is an argument to be made that part of the cost should be shared with the municipality, even though most of it is provincially mandated?

Mr. Bertrand: Yes, that's right.

Mr. Bisson: The other thing is the role of the public health unit within your community. What do you see it—not its role; that's not really where I want to go. Do you see them as being proactive enough in regard to the questions of public health within the community? Is there more that needs to be done?

Mr. Bertrand: Yes. From any experience I've had with the Renfrew County and District Health Unit or any friends or associates I've had, I've always been impressed with the friendly and efficient service they give. I recently returned from a trip to Taiwan and had to have the required shots for travel, and it was very efficient. The flu shots, for example: I attended their flu clinic. I

think they do an excellent job, and I would like to see that maintained for the people of Renfrew county.

Mr. Bisson: Yes, there's that part of it, but I'm talking about the promotion of healthier lifestyles. Certainly all of us are becoming much more aware that a determinant of how long we live is how well we take care of ourselves. Sometimes it has to be beaten over the heads of some more than others—meaning me. Obviously, there's a role for the public health units in public education within the workplace, within the community and within the schools. Do you think that there's enough of that being done—I guess that was my question—or do we need to be doing more?

Mr. Bertrand: That's a difficult question, because I know a lot is being done in the area in which I live concerning those types of things: health hazards of smoking. We have an aging population in Renfrew county, and arterial diseases seem to be higher than in the rest of the province. I know that there has been a lot of literature put out; I know that the people spend a lot of time in schools; I know that they visit a lot of the senior clubs and organizations giving lectures and seminars on good health. However, a lot of it boils down to change, and a lot of people just aren't willing to make that change.

Mr. Bisson: If you beat people over the head long enough, as my family has with me, we do eventually start to change. I only say that because I noticed that, in the communities that I represent, the health unit plays a fairly important role. More and more, they are being proactive, and it's having a positive effect. I leave that with you before I go to the next question.

In the short run, it's obviously going to save us money in our health care system if we can have people who have healthier lifestyles, because there will be less need for the health system. Unfortunately, the longer we live, the more expensive to other parts of the treasury we're going to become. It's a bit of a trade-off, but if I have to choose between the two, I'll go for longevity.

The other issue: Where do you fall on the debate in regard to sexual education when it comes to schools and stuff? That's one of the mandates, obviously, of the health unit. Where do you fall on that?

Mr. Bertrand: As it has been, I think it's a very useful thing to inform people at the appropriate age so that they can take the necessary precautions and make the right decisions regarding their personal life.

Mr. Bisson: So you wouldn't see yourself as a zealot in the sense of, "We should not be talking to children about these things"—or teenagers, I should say, more appropriately.

Mr. Bertrand: No.

Mr. Bisson: The other issue, and you touched on it very quickly, is the flu pandemic, or, I should say, other pandemics that we've been talking about. Just before I get into the question, I've got mixed feelings. On the one hand, my brain says that we need to do as much as we can to make sure we're ready, should it happen; that we don't get caught flat-footed. I want to put that on the

record so that nobody misunderstands what I'm saying. But I, like you, have had a chance to travel around the world. I've been in places like Vietnam and other places where that is a much bigger issue. I'm just wondering, do you think there's a certain amount—and I don't want to say this wrongly; I don't want people to misunderstand—of fearmongering on that issue? On the hand, yes, we have to be prepared, but are we making more of it, in your view, than what is actually the threat?

Mr. Bertrand: I don't think so. I've read a lot on the subject; I've read the newspapers. All the evidence seems to suggest that a pandemic is overdue, and I think it's just prudent to be able to plan for it and be ready for it. At the present time, I know the health unit and other organizations are planning for what would happen as far as drugs go and that type of thing. I think maybe we could go a little further and help the public and businesses and corporations in planning for it vis-à-vis what would happen if it occurs; for example, 50% or 60% absenteeism, and how that company or business could continue on with people being absent. I believe that probably we could be a little more proactive in helping people plan for that type of thing.

Mr. Bisson: For the record, I'm of the view that it is a threat in the sense that we're a much smaller global village than we were 20 years ago. God, I remember, growing up as a kid in the early 1960s, if somebody came into town on the train, it was front-page news. Nowadays, people are travelling around the world, and your neighbours have been to every part and continent of the world, and that close contact does raise the threat. However, I sometimes worry that we don't get ourselves caught up in hysteria. We've got to come at this from a very calculated perspective of doing what's right, without trying to trample over people's fears and stuff, so that's why I just raise that.

Okay, that's all I've got.

The Chair: Thank you very much. Government members.

Mr. Patten: Welcome, Monsieur Bertrand. Vous parlez français?

Mr. Bertrand: No, I don't.

Mr. Patten: Pas du tout? Okay. There are a lot of people in the valley who have names from all over the place.

I was interested to hear you comment on one of the reports related to the area of heart disease, which seems to be higher in the Renfrew district area than in other comparable areas. This question just really underpins your perception of the role of the district board in terms of leadership. The reason I say that is because often some people will just say, "Well, the province has this and this, and we've got a lot of mandated areas," and there are often disagreements. So what I'd be curious about, given your very rich background—it certainly looks like you would do a great job, by the way. In the area of leadership, what do you see the board being able to do in terms of representatives from the area being able to say, "Hey, for us here, here is what we believe should be the accent

or an additional area," because each region has variables that are different from others?

Mr. Bertrand: I think in Renfrew county, the aging population is one thing. There are not a lot of young people moving into the area because of employment prospects or whatever. So statistically, there is an aging population, and that may skew the record somewhat; I'm aware of that. But I'm a firm believer in educating and promoting people to live a healthy lifestyle. I've always believed in it. Eating properly—everything you do throughout your life, doing it properly—and having good exercise on a daily basis throughout life will certainly do a lot to lower the expectations and the health costs in our province. I think that would be a very appropriate route to take.

1120

Mr. Patten: If I just may add a comment. As the growing high-tech sector increases, especially in the western part of Ottawa, the most recent information I have is that indeed there is a growth of people moving to the Arnprior and Renfrew area, especially with the improvement of the highway, the twinning of the highway. That has provided some new, youthful enthusiasm and energy to the area, so it will present some new demography issues down the line. But thank you for your question. I appreciate it.

Mr. Bertrand: Thank you, sir.

The Chair: Further questions or comments? We're all good? Great.

Mr. Bertrand, thank you very much for your presentation and responses to members' questions. You're welcome to stick around. We're about to proceed with our concurrence votes. So you can see democracy live and in action.

Look at this. For the first time, all four of our intended appointees are here for the final drama—

Interjections.

The Chair: That all four have been in the room. Yes. It is good to see.

Now we'll proceed with our intended appointments in the order in which they were interviewed. So we'll start with Dr. Abdul Shakoor. Dr. Shakoor, as you will recall, is the intended appointee as member of the Scarborough Community Care Access Centre.

Mr. Parsons: I would move concurrence.

The Chair: Mr. Parsons moves concurrence. Is there any discussion? Seeing none, I'll put the question. All those in favour? Opposed? It is carried.

Dr. Shakoor, congratulations, and all the best in the new appointment.

Dr. Shakoor: Thank you.

The Chair: You bet.

We will now consider the intended appointment of Jill R. Presser. Ms. Presser is the intended appointee as member of the Consent and Capacity Board.

Mr. Parsons: I would move concurrence.

The Chair: Mr. Parsons moves concurrence. Is there any discussion? Seeing none, I'll put the question. All those in favour? Any opposed? It is carried.

Ms. Presser, congratulations, and all the best in the new appointment.

Ms. Presser: Thank you.

The Chair: We will now consider the intended appointment of Paul Joseph DeVillers. The Honourable Mr. DeVillers is an intended appointee as member of the Consent and Capacity Board.

Mr. Parsons: I move concurrence.

The Chair: Mr. Parsons, on a roll, moves concurrence. Debate? Discussion? Seeing none, all in favour? Opposed, if any? It is carried.

Mr. DeVillers, congratulations, and best wishes in the appointment.

Mr. DeVillers: Thank you.

The Chair: Gee, I like this bunch. They're very nice. They stick around—very mannerly.

We will now consider the intended appointment—

Mr. Parsons: They're more qualified than we are.

Interjections.

The Chair: Order. We don't want to get back on that one again.

We will now consider the intended appointment of Kenneth R. Bertrand. Mr. Bertrand is the intended appointee as member of the Renfrew County and District Health Unit Board.

Mr. Parsons: I move concurrence.

The Chair: Mr. Parsons, going for four in a row, moves concurrence. Is there any debate? Discussion? All those in favour? Opposed, if any? It is carried.

Mr. Bertrand, in the back row, congratulations, and all the best.

Mr. Bertrand: Thank you, members of the committee. Just in case the record has to be corrected, my middle initial is "E," not "R."

The Chair: Thank you very much. So it's Kenneth E. Bertrand. We will make sure that it is correct: "E," as in echo. Is it Edward?

Mr. Bertrand: Yes.

The Chair: Edward Bertrand. So thank you for correcting the record, because I did have "R" and that's what I had said.

Super. All of our concurrence votes now being completed, is there any other business? Mr. Bisson.

COMMITTEE BUSINESS

Mr. Bisson: Just very quickly—and I don't want to get into a large debate on this—in regard to our subcommittee meeting yesterday with respect to the other part of our mandate, which is overseeing government agencies and doing reviews, I just want to remind members of the committee that this is really an opposition committee. There are certain oversight committees of the Legislature that give the opposition a chance to scrutinize the operation of government, one being the estimates committee, which everybody's aware of, and the others being this committee and, I would argue, public accounts.

The discussion we had yesterday at the subcommittee meeting of "I've got to check with my people" and all

that kind of stuff: I just remind you that this is meant to be an oversight committee, and I would hope that the government doesn't use its majority in a way that would prevent the opposition from doing its job. So in your deliberations at caucus next week on this issue—should we or should we not do reviews of government agencies—I ask members to keep that in mind. I know Mr. Patten would understand that quite well, because he's been here before and understands, from an oppositional perspective, what this is all about.

The Chair: Any other comments, other business?

Seeing none, I'll let members know that unless they hear otherwise through the Chair and the clerk's office,

our next regular meeting will not be until April 19. We'll see if certificates come out this Friday, but there is no need for intended appointment reviews until April 19. So you will hear from me, but otherwise, schedule your next meeting in your BlackBerries for April 19, same bat time, same bat channel.

Mr. Bisson: What am I going to do with myself for two weeks?

The Chair: I know. Free time.

Seeing no other business, this meeting is adjourned until April 19. Thank you very much, folks. Have a good afternoon.

The committee adjourned at 1125.

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Wednesday 19 April 2006

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Mercredi 19 avril 2006



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STANDING COMMITTEE ON
GOVERNMENT AGENCIESCOMITÉ PERMANENT DES
ORGANISMES GOUVERNEMENTAUX

Wednesday 19 April 2006

Mercredi 19 avril 2006

The committee met at 1004 in room 151.

SUBCOMMITTEE REPORTS

The Chair (Mr. Tim Hudak): Good morning, folks. I'm pleased to call to order the standing committee on government agencies for our regular meeting of Wednesday, April 19, 2006. How's everybody doing? Mr. Fonseca is defying the red tie memo today, by the way.

Interjections.

The Chair: Well, we will look the other way, but please have that corrected for the next committee meeting.

Folks, we'll get through ordinary business, and I'll defer item 3, which is the subcommittee on agency review discussion, until the end of our session so that we can proceed with the interviews in a timely fashion.

First, I'll dispose of items 1 and 2. We have a report of the subcommittee on committee business dated April 6, 2006.

Mr. Ernie Parsons (Prince Edward-Hastings): I would move adoption.

The Chair: Mr. Parsons moves its adoption. Is there any discussion on those minutes? Seeing none, all in favour? Any opposed? It is carried.

The next order of business is the report of the subcommittee on committee business dated Thursday, April 13, 2006.

Mr. Parsons: I move adoption.

The Chair: Mr. Parsons, without hesitation, moves its adoption. Is there any discussion? Seeing none, all in favour? Opposed, if any? It is carried.

Folks, again, I'll move item 3, which is the report of the subcommittee on committee business, agency review, to the end of our interview process and concurrence votes as well as other business, so we can begin our appointments review.

INTENDED APPOINTMENTS

GLORIA CONNOLLY

Review of intended appointment, selected by official opposition party: Gloria Connolly, intended appointee as member, Ontario Judicial Council.

The Chair: We have with us today, as our first interview, Gloria Connolly. Good morning, Ms. Connolly. Ms. Connolly is an intended appointee as a member of

the Ontario Judicial Council. You're welcome to come forward, Ms. Connolly, and make yourself comfortable; if you want to grab a glass of water, or there are other beverages to your left. As you may know, you're welcome to make opening remarks about your interest in the position and your background, and then we'll do a rotation method for questions from all members of the committee. Our rotation is to begin with the third party, Mr. Bisson, so hopefully we will see Mr. Bisson shortly. If not, then we'll move to the government members.

Ms. Connolly, the floor is yours.

Ms. Gloria Connolly: Good morning, and thank you for the opportunity to present and discuss my credentials. I believe they will demonstrate that I am qualified to be appointed to sit on the Ontario Judicial Council. I understand you have a copy of my resumé, and rather than go through a litany of my skills, I'd like to recap what I would like you to know about me, and then I'll be happy to answer your questions.

I retired in 1992 as a manager with Bell Canada after completing 32 years of service. I held many different positions during my career, and I developed the skills that one would expect one would as they move upward in a large corporation. During my career, I was responsible for non-management employees, and later on I was responsible for management staff. At one point in my career, I taught six-week management courses to newly appointed managers to assist them with the transition from non-management to management.

I am a strong and skilled communicator. I speak effectively one-on-one and in groups, I encourage open expression of ideas and opinions from others, and I am comfortable making my views known, even in unfamiliar situations. I have demonstrated the ability to make sound and timely decisions, even under conditions of uncertainty. I always gather and analyze pertinent information. I consider both sides of any story, and I look at other factors that may have contributed to the situation. I am focused when doing a task and I approach situations with a fair and unbiased attitude.

If you were to read my letters of reference, they all carry common themes: my ability to analyze and make sound decisions; my strong organizational skills; my positive interaction with others; and my exceptionally high level of energy.

During my time in human resources with Bell, I was involved with labour relations, and I also taught labour

relations protocol and conflict resolution at Georgian College. So I am familiar with disciplinary issues.

While at Bell, I was invited to teach at Georgian College in their Ontario management development program. I taught for 12 years various management courses to adults, and I also taught courses to the staff of Georgian College, such as effective business communication. These were evening courses.

I feel I bring a balanced blend of corporate, non-profit and volunteerism experience to the council. I have always felt a commitment to my community, and I continue to have a concern for the well-being of those who are vulnerable in our society.

I spent a year as a volunteer for the Special Olympics winter games in Barrie. The position was full time for 10 months, and I was responsible for the 900 volunteers it took to make those games successful. I managed all volunteer teams, from visitor services to police and medical response teams. I also raised over \$100,000 from local businesses and individuals for the games. I consider this to have been one of the best experiences of my life.

1010

I then spent two years coordinating 120 breakfast programs in the schools in Simcoe county. For the past year, I've been doing fundraising and volunteer coordination for the MS Society of Canada.

Last but not least, for several years I was a volunteer consultant on the archbishop's staff for the Anglican Diocese of Toronto. I provided facilitation and consultation services to parishes who were having difficulty managing their churches. I was appointed by the bishop to a two-year term on the board of management for two local churches to provide expertise with planning and conflict resolution, and those assignments have been completed. I continue to facilitate workshops on sexual misconduct policy to volunteers, clergy and laypersons upon request from churches.

I was interviewed last month by a panel chaired by Mr. Warren Dunlop regarding this appointment. He is with the ministry.

I'm happy to answer your questions.

The Chair: Great, Ms. Connolly. Thank you very much for your opening presentation and remarks.

As I said at the beginning, the rotation was to start with the third party. Welcome, Mr. Tabuns, by the way, to the committee. Nice having you join us at the agencies committee.

Mr. Peter Tabuns (Toronto–Danforth): Thank you.

The Chair: Mr. Tabuns hasn't had a chance to sit on this committee before, I think as members know, so I'm going to propose that we begin the rotation instead with the official opposition. I do need unanimous consent for that, so that Mr. Tabuns can see how the questions proceed.

Interjection.

The Chair: We'll proceed then with the official opposition, followed by the third party. Ms. Scott.

Ms. Laurie Scott (Haliburton–Victoria–Brock): Thanks, Ms. Connolly, for coming here today to appear

before us. Thank you for all your volunteerism and your work in your community. It's more extensive than the resumé we received, so I appreciate that background that you filled in there.

I know Mr. Tascona, my colleague, knows you and so I'm just going to ask a couple of questions to start with. We have about 10 minutes to ask questions and then he'll finish off. So thank you again for appearing here before us.

Can you explain how you knew about the appointment or why you chose the Ontario Judicial Council to sit on or serve as a member?

Ms. Connolly: When I was doing the breakfast programs in Simcoe county, I worked with a colleague who was applying for some of these positions, so he told me about them. Then, at the end of the year, I decided to make some changes in the volunteer work I was doing and it came back to my mind, so I called Mr. Tascona's office and asked what the website was because I'd forgotten. I got the website and went down and looked until I found something that I thought would interest me.

Ms. Scott: And then you just applied online?

Ms. Connolly: Right.

Ms. Scott: At the end of last year, was it, and then submitted—

Ms. Connolly: I think January maybe; but anyway, yes, I did apply online.

Ms. Scott: And then someone called you and followed up with the appointment?

Ms. Connolly: Right, and then I went down and was interviewed by the panel chaired by Mr. Warren Dunlop.

Ms. Scott: That interview took place when? Sorry.

Ms. Connolly: Maybe February, March. Then I got a call and I had to sign forms for background checks, etc.

Ms. Scott: Okay.

Ms. Connolly: Then I was told my name had gone before cabinet and I was told to appear here.

Ms. Scott: We usually ask some political questions, so I will start. Are you currently or have you been a member of the provincial or federal Liberal Party before?

Ms. Connolly: Yes.

Ms. Scott: Are you presently?

Ms. Connolly: Yes.

Ms. Scott: Is that both provincial and federal?

Ms. Connolly: Federal.

Ms. Scott: I notice one of your references was Aileen Carroll, the former Liberal MP in the Barrie riding.

Ms. Connolly: Yes.

Ms. Scott: Okay, good. Have you ever donated to the Liberal Party?

Ms. Connolly: Yes, I have—federal.

Ms. Scott: Okay. I'm just going to pass it over to my colleague Mr. Tascona for further questions. Thank you.

Mr. Joseph N. Tascona (Barrie–Simcoe–Bradford): Thank you, Gloria, for attending here today. This is a pretty prestigious appointment, if I may say so, because I think the judicial council, which is made up of eight judiciary and four laypersons—and you would be one of

the laypersons—plays an important role in terms of transparency and dealing with complaints about the judiciary.

I looked at your background, and certainly I'm aware of some of the things you've been involved with. I just wanted to ask you about this particular council. Was there something that compelled you that you wanted to be involved with this Ontario Judicial Council so that you applied for it?

Ms. Connolly: I've always had an interest in the law. Even as a young woman growing up in Lindsay, I would have gone to university if circumstances had allowed me to. I come from a large family, five brothers, so it wasn't to be. But then when I retired from Bell, I applied for a justice of the peace position and that really didn't go anywhere. I saw this and it was in that interest of the law, so I read it all over on the Web and felt I was qualified to do it.

Mr. Tascona: Okay. I know in your background you were involved—and I was involved with you—in the Eat Well to Excel student nutrition program from April 2003 to 2005, lead coordinator for Simcoe county. I thought you did a fabulous job there. I think you represented the children and everybody properly before that program was unfortunately ended. The work you're doing with the MS Society now in fundraising is to be commended. I take it there's a walk there this weekend?

Ms. Connolly: Yes. Saturday we get ready and Sunday we go. We'll have about 900 walkers in Barrie.

Mr. Tascona: Where is that walk being held?

Ms. Connolly: In Barrie?

Mr. Tascona: Yes. Where in Barrie?

Ms. Connolly: It's going from the Army Navy and Air Force Club and then there's either—that's where it starts, at the Army Navy and then there's either a five- or a 10-kilometre route. I have the walks in Barrie, Collingwood, Midland—we have a new one in Alliston, New Tecumseth. Orillia, Midland, Collingwood, Barrie and New Tecumseth: So we have five in Simcoe county.

Mr. Tascona: So the MS walk in Barrie is going to be Sunday, April 23. I think it's about 9:30 when they're doing that.

Ms. Connolly: Nine or 9:30, we're starting off. We should raise about \$100,000, if everything goes well.

Mr. Tascona: That's great. That's going to complement—you're doing that work with the MS Society fundraising and you're also going to be doing the work with the judicial council. I understand that pays about \$100 per diem. Do you know how often they meet, this judicial council? Have they given you any idea how often you'll be meeting or doing things?

Ms. Connolly: It's ad hoc, so as needed. I think on the Web, if I remember correctly, it says about 10 times a year, but it could be more or less.

Mr. Tascona: Do they meet in Toronto? Do you know where they meet?

Ms. Connolly: I understand Toronto.

Mr. Tascona: Okay. In this particular board I think you made it very clear that you're very candid with respect to your opinions and you get your point through. I

think this will be a real challenge because you're going to be in there with eight other lawyers, judges and whatever, who would have pretty strong opinions. I take it you feel confident expressing your views, even if it's contrary to the Chief Justice of Ontario, a regional senior judge of the Ontario Court of Justice and the Associate Chief Justice of the Ontario Court of Justice. You're going to be in there with a whole bunch of judges. How do you feel about that in terms of the role that you have to play, which is to deal with the judiciary and complaints?

Ms. Connolly: I really don't have any problem with it, Mr. Tascona. As I say, I was raised with five brothers, and coming up through Bell when I did, things weren't the same, the way they are now. I had to fight for non-traditional jobs. I came up when we were told to our face, "You can't have that job because you're a woman." So to get to the level of management I did, I fought lots of battles. I don't intimidate easily.

Mr. Tascona: You were with them 32 years. That's a long career. What do you think the priority of the board should be in making recommendations for new judges? You said you had applied to be or you had shown some interest in being a justice of the peace, but with respect to new judges, what do you think the priority should be in making recommendations for someone to become a new judge?

Ms. Connolly: I'm not sure I'm qualified to answer that, Mr. Tascona. I can tell you how I feel personally what—

Mr. Tascona: That's all.

Ms. Connolly: —I would like to see in a judge. I would have to assume that they're qualified. I think that's a given. A judge should not only be impeccable on the bench; I think they should have an impeccable personal life because I think one carries over into the other. When someone holds that high a position in a community, I think that's what the people expect.

Mr. Tascona: That's a fair comment. Service on a disciplinary body such as the council—because that's what it is—requires the ability to assess human behaviour, see both sides of the story and judiciously weigh the consequences of rendering decisions which may have the effect of blighting or even terminating a professional's career. You indicated that you had some experience in labour relations, which I think is helpful. What skills do you think you bring to that position to deal with that type of situation where you're going to discipline somebody?

1020

Ms. Connolly: I think from my work at Bell, I was in situations where I had to discipline managers who worked for me. I was also involved with non-management employees when I was a first-level manager and had experience dealing with two Bell unions at the same time, because I had employees reporting to me who were under two unions. I taught labour relations at Georgian College and also facilitated for the archbishop at the diocese of Toronto, so I know a fair bit about that area. It may be a bit different, but I think the skills are transferable over to the judicial council.

Mr. Tascona: I'll just give you a little history. I think you're aware of this. On September 23, 2004, the Ontario Judicial Council released its most serious finding since its creation in 1995. After accepting the complaints of six women, the council ruled that a Barrie judge was guilty of sexual misconduct. The judge resigned in November 2004, before disposition of the case. Are you aware of that particular case?

Ms. Connolly: What was in the newspapers?

Mr. Tascona: Yes. Did you follow that?

Ms. Connolly: I followed it, but not too closely.

Mr. Tascona: That's the type of work that they do. It seems interesting; that was the most serious situation they had, and that was in Barrie about a year ago. Is there anything else you want to comment on with respect to your interest in the position?

Ms. Connolly: The only other thing would be that I'm really interested, I'd like to have the position, and I'll give it 150%, which I always do in anything I take on, as you know.

Mr. Tascona: Okay, that's great. Thank you, Gloria.

The Chair: Mr. Tabuns, the floor is yours.

Mr. Tabuns: Ms. Connolly, again, thank you for coming in this morning. I look forward to my colleague Gilles Bisson being here soon and contributing more than I can to the proceedings today.

I can quite believe that if you had five brothers, you've had experience dealing with intimidation; unfortunate but true. It's quite correct, as Mr. Tascona said, that you will be dealing with people in a situation who have a lot of authority, expect to be listened to and often are in a situation where they are not challenged. Can you give us some examples of situations where you have had to challenge authority to move things forward and how in fact you've steeled yourself for that?

Ms. Connolly: Certainly even working on boards of directors—in the last two positions I've held, I've reported to boards of directors. When you're trying to keep eight or 10 people happy, sometimes you have to make your point and make it quite forcefully. Not all people, as you know, who sit on boards have a lot of background and experience and can't always see the path that something should take. That sort of situation.

I can't think of anything off the top of my head, but at Bell, again, I often had to make my case known, especially when I was in human resources. I was responsible for all the management job evaluations for all levels of management up to but not including the vice-president, so I had to decide what level of management they would be and what their pay scale would be. That was not always an easy sell. Everyone thinks they should be a higher-level manager than what you assign them.

Also, at one point in time, I was doing the budgets for the general manager, and my budgets determined what staff levels he could have. Again, that was not always a popular meeting to be at. So I've been in a position where I've had to sell some pretty strong cases that I was putting forward.

Mr. Tabuns: One of the qualities we're looking for is an ability to assess human behaviour. When you're dealing with someone in a situation where you're trying to determine how they will act in a given circumstance, what's your method for approaching that? How do you try to elicit their real behaviour and their real thoughts?

Ms. Connolly: I find you can find out the most by being a good listener and getting them to talk by asking open-ended questions and trying to draw them out: if it's a problem, what they see the problem is, what they see the solution is, how can I help you and that sort of thing. I think you should try and get as much as you can from the person or persons involved, rather than you putting your opinion or ideas on them first.

Mr. Tabuns: On the question of gender and racial bias, very few people these days show bad manners in these matters. They know what's politically or culturally acceptable to say but still may harbour a deep racial or gender bias. What do you look for in a person's behaviour or thoughts to determine, in your mind, whether they have a gender or racial bias?

Ms. Connolly: That would be very difficult if there aren't any spoken words or actual actions that you could point to. Sometimes body language is an indication, but it certainly wouldn't be enough to make a determination that you were racially biased or whatever. So I think that's a tough one. I'd have to think about that.

Mr. Tabuns: I agree; it's a tough one.

Mr. Chair, I don't have further questions at this point. Thank you.

The Chair: The government side?

Mr. Parsons: I would thank you for coming. We actually were impressed enough with your qualifications that we wouldn't have called you this morning. But thank you for coming.

How did you become aware of this opening?

Ms. Connolly: I went on the Web and looked.

Mr. Parsons: Did you speak to an MPP or their office?

Ms. Connolly: No; all I did was call Mr. Tascona's office to find out what the website was; I had forgotten it or lost it. No, I didn't speak to anybody.

Mr. Parsons: Your answers regarding being on the board: It's my understanding that there are four who are not to be judges or lawyers, so you're amply qualified for that.

That concludes our questions.

The Chair: Ms. Connolly, thank you very much for your presentation and your responses to the members' questions. Please, if you have the opportunity, stay with us. We do the concurrence votes after the interviews are concluded, so in one hour's time, we'll move to concurrence votes. Thank you for your time.

Ms. Connolly: Thank you very much.

KENNETH LOUCKS

Review of intended appointment, selected by official opposition party: Kenneth Loucks, intended appointee as member, Niagara Falls Bridge Commission.

The Chair: Our next appointment interview is with Dr. Kenneth Loucks. Dr. Loucks is an intended appointee as a member of the Niagara Falls Bridge Commission. Welcome to the standing committee. I will note for the record that Dr. Loucks is a graduate of the University of Western Ontario, which is always very impressive to the Chair, and secondly, is at Brock University, which is our second-favourite university at this committee. Is that correct?

Dr. Kenneth Loucks: That's correct, Mr. Chairman.

Ms. Monique M. Smith (Nipissing): Says who, Chair? I don't think we have unanimous consent on that.

The Chair: The Chair has the floor, although we will tell Ms. Marsden when she appears at the committee that York University is also part of the good list.

Dr. Loucks: I should check, Mr. Chairman, if this committee is stacked with alumni from Western.

The Chair: That may be the case. There's a couple.

Ms. Smith: Oh—

The Chair: Oh, I'm just teasing. I'm sorry. The Chair shouldn't show that kind of bias for Western graduates, but we wanted to say that it's always good to see an alumnus here at the committee.

Dr. Loucks, you've been in the audience here and you've seen how the process works. You're welcome to make an opening statement about your interests and qualifications for the position, and then we'll begin rotation with Mr. Tabuns of the third party. The floor is yours.

Dr. Loucks: Thank you, Mr. Chairman, and good morning, ladies and gentlemen. I'm pleased to be here to offer whatever skills and knowledge that I have for public service on the Niagara Falls Bridge Commission. This is a position for which I feel I'm qualified. I'm not only an alumnus of the University of Western Ontario, but I have three degrees in business administration from that school. On top of that, I have taught at university for over 30 years in the field of business administration, including two adjunct appointments at two universities in Australia.

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My undergraduate work was primarily in accounting. My master's level work was primarily in marketing. My Ph.D. was in organizational behaviour, and I spent most of my career teaching business policy and corporate strategy. That subject included governance topics as well.

I also, if you've had a chance to review my application, had considerable relevant experience, and by that I mean both board and commission experience, on public and private sector boards, commissions as varied as the airport commission, hospital councils, senates of universities and so on. So I have a considerable range of experience in these fields.

In addition, I'd done a lot of consulting work for both private and public sector corporations and in international development fields. I've worked for a variety of foreign aid agencies, the Dutch government, the German government, the US government, the Canadian government and UN agencies as well. Most of this involved everything

from troubleshooting program design to developing and recommending policy, particularly in the field of small enterprise development, entrepreneurship development and local economic development.

In terms of my background, I have lived in St. Catharines now for 20 years. I previously lived in Sudbury for 16, and I previously moved around the province a bit. I'm a native of the Owen Sound area. But in my years in St. Catharines, not only was I involved in the university, but I was involved in a number of outreach programs, including the Institute for Enterprise Education and the Niagara Enterprise Agency. I served on the Niagara Region Development Corporation, predecessor to the current development corporation, including a term as chair. I learned through that a fair amount about the operation of the economy and the socio-economic makeup and some of the issues and the geography adjacent to the bridges, including participating in a number of cross-border committee meetings and discussions in terms of economic development.

On top of these things, I would say that I did submit my application through the public service appointments committee. My application then went to the bridge commission. I was interviewed by that commission, apparently successfully, because I'm here now. So presumably, that is some other validation of my qualifications for the position.

Why am I interested in serving on this? First of all, I'm not in the habit of seeking public service appointments, but I'd had a number, and all of them had been because I'd been asked to apply and to serve. That was true with my present position as chair of the Niagara District Airport Commission: A member of the local municipal council asked me to put my name forward. It was true of the previous Niagara Region Development Corp.: A sitting member of that was the vice-president of the university, who asked that I put my name forward and serve on that committee. Similarities happened when I was in Sudbury, and I served on the regional development corporation up there and the hospital council up there.

I've always been willing to do public service but it's not something that I sought out or have gone after. This particular commission I think has some interesting issues and some interesting challenges. Since I'm retired now from the university, I'm always interested in having challenges. It keeps my mind alive and active and going. This one, I gather, has had its share of challenges when I look at some of the past news releases on the place, and I understand the changes that have taken place on the commission and so forth. So there are some substantial issues there that are challenges on the governance side of the corporation, an area that I've had both formal educational exposure and some experience in. In magnitude, it's significantly larger in terms of the dollar amounts and the capital structure that's involved in the organization than I've dealt with previously. That poses some interesting tasks.

It's topical. The Niagara Falls Bridge Commission, in the current environment of homeland security issues,

cross-border trade and so forth, is very timely and important to the Niagara region for tourism and business and the economy. So these make it of interest to me.

The Chair: Thank you, Dr. Loucks, for the presentation. We begin any questions with the third party.

Mr. Tabuns: Dr. Loucks, thank you for coming this morning. I appreciate the presentation. Could you elaborate a bit more on the major challenges that the bridge commission has faced in the last few decades?

Dr. Loucks: I really haven't immersed myself in the issues that way, Mr. Tabuns. I did do kind of a casual Google search on the Niagara Falls Bridge Commission. I found out that there had been some issues with the American appointees to that commission at one point in time. I understand there are legal issues going on there—some dissatisfied tenants or prospective tenants, and legal issues coming about. I didn't immerse myself in those things at this point in time. I know the Ontario government, at one point, dismissed their appointees and had civil servants come in to deal with some of the issues, so there are some ongoing issues there. From the public's perception in the area, of course, there have always been questions about congestion at the border and access and so forth.

I know, as chair of the airport commission, that we are dealing with tourist organizations—we get inquiries from them—the casino and so on, in terms of the ease and facility of access of Americans to the Canadian side, because it impacts dramatically on their business. Questions about congestion or delays, or the pending identity card issue and the cost of that, are very important issues locally.

Mr. Tabuns: This board, as you've said, has faced some difficulties in the past. If all of the appointed members were taken off by a government and replaced by civil servants, they may well have gone through some stormy times.

Your role will be to look out for the public interest, obviously, and there will be times when you'll have to go against the current. As I asked the previous applicant for the Ontario judicial position, can you tell us about situations where you've had to go against the current, where you've had to challenge authority and withstand pressure to change your mind?

Dr. Loucks: I guess whether there are dramatic ones or not is something else, but it kind of goes with the role of being on a board and a commission. For instance, the current position I'm in as the chair of the airport commission: When I joined that board, the previous manager had sued the previous chairman of the board for constructive dismissal. The airport was in the newspaper considerably, politicians calling for withdrawal of support from the airport—a number of issues from the public ownership side, from the tenant side and from the administrative staff side. Shortly after joining that commission, I was asked to take the position of chair—I think it was within two months of being appointed—because of these issues, and to steer it myself through those.

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I think I've successfully done that, but there continue to be issues: the politicians on the one side trying to respond to issues from tenants or from the public or what have you, and trying to pressure it one way; tenants trying to pressure it some other way; and the commission, particularly the chair of the commission, having to be objective in the midst of that and trying to bring about some reconciliation and a way forward.

I've done that on this particular commission; I've done it on previous ones that I've worked on. All of them seemed to have issues, some explosive and some dramatic. When I first joined Laurentian University in Sudbury, I was on the senate. We were involved in an issue with one of the professors where Interpol was involved. We were having in-camera meetings of the university senate at 6:30 on a Saturday morning and so forth.

The big challenges are always—you cannot suppress emotional and what some might consider irrational behaviour from occurring, but to try and steer those things back to fact-finding, analysis, and reconciling how people look at issues differently and trying to bring about some kind of reconciliation between them. So that's been my experience in the past.

Mr. Tabuns: Thank you, Doctor.

The Chair: Mr. Tabuns, thank you very much. The government side?

Mr. Parsons: No questions, Mr. Chair.

The Chair: No questions from the government side. The official opposition?

Ms. Scott: Thank you, Dr. Loucks, for appearing before us here today and coming from Niagara Falls. How long have you been in the community of Niagara Falls now?

Dr. Loucks: It's actually St Catharines I live in, and I've been there for 20 years now.

Ms. Scott: Okay. That's good. You have quite an extensive background. I'm going to lead off by saying that this is a committee that reviews appointments. I just wanted to get your opinion: Do you think it's a good idea for government committees to have the ability to ask members who are appointed to boards to come forward and to ask questions about what their role is, what their background is, before they go on these boards?

Dr. Loucks: Absolutely. I think it's your responsibility to do that.

Ms. Scott: That's good. We also feel that way. I'm leading up to the fact that on March 22, 2005, Minister Takhar appointed four hand-picked Ministry of Transportation bureaucrats from Toronto to be on the committee. They did it for less than a year, so we couldn't call them, and then they extended their period to 2008; again, we couldn't call them. Do you think that this committee should have the ability to call those four people that Minister Takhar had appointed from the Ministry of Transportation?

Dr. Loucks: As a general principle, I would say yes. Of course, general principles are just that; I don't know the circumstances. There could be extenuating circum-

stances. Clearly, the press releases I read about the untendered contracts and actual thuggery going on in terms of treatment of tenants and so on may have called for unusual procedures and pretty close control of what's taking place for a period of time.

Ms. Scott: I know you had mentioned, and maybe I'll just get you to summarize again, that you do have extensive community experience. You've been in the St. Catharines area for 20 years, but you've been involved a lot in your community. I just wondered if you could summarize again your past boards, commissions.

Dr. Loucks: The principal services that I did in the community—as I say, I served on the Niagara Region Development Corp., including a term as chair. I currently serve on the airport commission as chair. I was involved in the creation of an organization in the community with a colleague of mine, a chap by the name of Eugene Luczkiw, an organization called the Institute for Enterprise Education. This was a not-for-profit organization created at the time to deal with the fallout from industry restructuring there. It involved people in retraining programs for small business creation and entrepreneurship development.

I was similarly involved with initiating and creating, and I currently serve as chair of a thing called the Niagara Enterprise Agency, which is a not-for-profit organization dealing with facilitating local industries that have established themselves but are on a growth pattern in terms of accessing relevant management expertise and experience. We also administer a \$5.5-million venture capital fund.

Ms. Scott: You do have extensive background; I wanted to bring that to the forefront again, because the Niagara Falls Bridge Commission has that 70-year history of appointing people who have been active in their community locally. The fact that the McGuinty government and Takhar had those appointments from the Ministry of Transportation to the local boards upset a lot of local people. We wanted to bring attention to that and get your opinion: Do you think that the minister violated the tradition? Mr. McCuaig has been appointed until 2009. Why is he continuing to violate that tradition, and your comments on, should we look back at that, should we try to bring that more to the forefront, to interview them? How do you feel that's going in the community?

Dr. Loucks: I'm really not immersed in the background of all of that, and the issues in that. Other than to say what my general principle was, I don't know what could justify exceptions at this point in time.

Ms. Scott: Okay. I don't know the area that well; we've done some research before, but just up the Niagara River and Fort Erie, for example, the Peace Bridge has local and active appointees, all from Fort Erie or Port Colborne, as its Canadian board members. It is a federally appointed bridge commission. Do you believe that the department of transportation bureaucrats should populate that board as well, or other bridges or tunnel commissions across the province?

Dr. Loucks: From my understanding, these commissions were created under different legislation. The

Niagara Falls Bridge Commission is in fact an American commission. The extent of the province's involvement here is to identify and appoint four members from the Canadian side. They're not involved in funding that commission or that board and so on, so I don't think it's quite a different role than in the case with the Peace Bridge.

Ms. Scott: But they think the point is that they are locally appointed members from their community, and in this case, it has broken a 70-year tradition. They weren't local members of the community; they were Ministry of Transportation. That's what I'm trying to ask, if you agree with that process.

Dr. Loucks: I can't reflect on that. It took place before I was involved. I'm not completely familiar with the issues and why that action was taken.

Ms. Scott: Okay. The names of the Ministry of Transportation bureaucrats who were appointed were Patricia Boeckner, Roger Hanmer, Larry Smith and Bruce McCuaig. They've been there for a year now. Can you name an event in the community in which they've participated?

Dr. Loucks: No. I've never met any of them except Mr. McCuaig.

Ms. Scott: You haven't heard their names on the radio or anything?

Dr. Loucks: No.

Ms. Scott: Okay. Going back to the MPP from Niagara Falls, Kim Craitor said, "When the Liberals broke with the tradition of appointing local people in favour of bureaucrats from Toronto," they were going to be doing a "'thorough review' of bridge security, because the ministry wanted to be more 'hands-on' with the bridges in light of ongoing concerns about border security"—you mentioned that before. He said that each one had been assigned a specific task to review, including homeland security, engineering and administration.

"Despite the lack of written instructions, Craitor said Monday the government's review of the bridge commission is 'certainly going on' and the senior officials assigned to it shows it's happening at 'a very serious level.'"

What do you know about these studies? Have you seen anything about these studies?

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Dr. Loucks: Nothing.

Ms. Scott: So there hasn't been anything going on in the community that you know of?

Dr. Loucks: No.

Ms. Scott: One of the topics was homeland security, according to Mr. Craitor. It's a very important topic, especially given the post-9/11 world and Canada's role in the war on terrorism. No doubt neither the MPP nor the minister would claim such an important study was happening without releasing it and having community meetings on it. So you've heard of no community meetings specifically on homeland security?

Dr. Loucks: No.

Ms. Scott: Do you think these studies should be made public? If they've been given instruction to do these studies, do you feel in your role on the commission that these studies should be made public?

Dr. Loucks: The question of homeland security is not something that's in the mandate of the bridge commission. The bridge commission provides a piece of infrastructure—a bridge. It provides accommodation for Customs and Immigration. But it has nothing to do with the administration of homeland security issues, as I understand it. So whether those should be made public or not is an issue that I don't see is within the mandate of the bridge commission.

Mr. Parsons: Mr. Chair, on a point of order: I think it's unfair to ask questions as if he were a board member. The questions are considerably off topic.

Ms. Scott: An opinion.

The Chair: I appreciate that, Mr. Parsons. I do give a lot of latitude to members to ask questions of those who come before the committee. I think it's within that latitude, but I'll keep an eye on things.

Ms. Scott: It's commenting, too, on instructions that were in the paper, according to Mr. Craitor, that were given. That was all. I was just getting an opinion about the process.

Mr. Parsons: I believe at this stage he's not a member of the commission.

The Chair: Let's proceed.

Ms. Scott: Are you aware of any major problems the bridges have had in the last number of years?

Dr. Loucks: Other than what I've already indicated, no.

Ms. Scott: Was there bad publicity surrounding the inability of the Niagara Falls Bridge Commission to solve problems? Did they have some dysfunctionality on the board to solve problems?

Dr. Loucks: As I say, other than the issues that I have a superficial knowledge of, I'm not aware of any.

Ms. Scott: Okay.

The Chair: Last question.

Mr. Parsons: Thank goodness.

Ms. Scott: We've discussed a lot of topics, but what would be the top two most significant issues you think the bridge commission will be facing over the next few years?

Dr. Loucks: For me, personally, it's this question of the role that that piece of infrastructure can serve in facilitating or hindering the free flow of trade and exchange between Canada and the United States, and being on top of that. I think there is an immediate issue, but I need to find out how much it has been or is being dealt with, in terms of governance of that commission. When you have the kinds of dramatic stories appearing in the newspaper about thuggery, tendering that was not done, favouritism and so forth, I think there are some pretty substantial governance issues. The details of those, I'm of course not familiar with.

Ms. Scott: Thank you very much, Dr. Loucks, for appearing here today. I appreciate it.

The Chair: Thank you very much, Dr. Loucks, for your presentation and your interest in the position. You're welcome to stick around. In about 45 minutes' time, probably, we'll move to our concurrence votes.

Dr. Loucks: Thank you, Mr. Chairman. I actually have some other work to do.

The Chair: Then you'll have to tune in to the Hansard to see how the play-by-play happens. Thank you for making the trip here to Toronto from St. Catharines.

To Mr. Parsons's point, I think the tradition of the committee has been to allow a decent latitude on questions pertaining to somebody's qualifications or interest in a position. I listened closely to Ms. Scott's questions. I think she was asking about the history of the bridge commission and how the member will approach issues. I think that's typical. I think the member responded in a similar fashion, as somebody who is in the community and, in his view, he spoke to general principles. I'll keep an eye on these things, but I think we know—

Mr. Parsons: I respect your right to be wrong.

The Chair: Secondly, I think this committee maintains a very high level of decorum and politeness. I find that members always ask questions in that vein as well and I think the questions are positively done here at the committee. That would be my other grounds for intervening, if it was badgering or something like that. I don't think we've hit that territory in this committee.

Mr. Parsons: We've tried to serve as role models on questions we ask.

The Chair: We will continue.

JANICE THOMSON

Review of intended appointment, selected by official opposition party: Janice Thomson, intended appointee as member, Niagara Falls Bridge Commission.

The Chair: Next, I'd like to invite Janice Thomson. Ms. Thomson is an intended appointee as member, Niagara Falls Bridge Commission. Now that we're on a roll, Ms. Thomson, greetings. Nice to see you again. I want to say hello, as a member from Niagara. We've worked together quite extensively on tourism issues. Nice to see you here.

Ms. Janice Thomson: Nice to see you also.

The Chair: Things are going well in Niagara-on-the-Lake?

Ms. Thomson: They are.

The Chair: Excellent.

Ms. Thomson: It's brightened up already.

The Chair: Maybe we'll take the committee on the road some day and you can show us around the sights in Niagara-on-the-Lake.

Ms. Thomson, you've been here; you've seen how the committee operates. You're welcome to make opening comments about your interests and background. Then, according to our rotation, there will be questions, beginning with the government and then the official opposition and third party. The floor is yours.

Ms. Thomson: Thank you for the privilege of appearing before you to discuss my qualifications as a potential appointee to the Niagara Falls Bridge Commission.

I'm presently a resident of the town of Niagara-on-the-Lake and I have been since 1995. I have over 25 years of senior management experience, including extensive industrial logistics, marketing, public relations, conference planning, incentive travel, market research and sales training experience, gained primarily in the import automotive industry. I was the national sales manager for BMW Canada for a period of six years, until 1995. Prior to that, I had a 13-year career with Jaguar Canada Inc.

When I moved to Niagara-on-the-Lake, I owned and operated a 100-seat licensed restaurant with three hotel rooms for a period of five years. During that time, I was extensively involved in the promotion of Niagara-on-the-Lake as a destination for motorcoach operators and group travel organizers. So I certainly know the importance of a constant flow of visitors and customers.

Prior to being appointed to my current position as executive director of the Niagara-on-the-Lake Chamber of Commerce, I served on the chamber's board of directors for six years, including two years as its president. I have served as a board member of the town of Niagara-on-the-Lake's economic management corporation for three years, I have been on the town's parking and traffic committee for the past six years, I have served on a local physician recruitment committee for five years and on other town committees, mostly related to signage, by-laws, town licensing regarding accommodation. I'm presently serving on two of the Lord Mayor's committees: communications and property tax assessment. We call him Lord Mayor. I'm sure the committee knows there is only one Lord Mayor in Canada, and it happens to be in Niagara-on-the-Lake.

I represent the town's destination management organizations as part of our chamber and I serve on tourism committees within the Niagara economic development corporation, the Wine Council of Ontario and Ontario Tourism Marketing Partnership. I'm presently a board member of the Binational Tourism Alliance and, as of this week, I'm also a board member of the Ontario Tourism Education Corp.

I feel I have much to contribute, much that I wish to share. The experiences that I gained through my other committee work I think will be very valuable in working with the Niagara Falls Bridge Commission. Also, in my experience in various roles—as executive director of a non-profit organization, as chair and member of a board, as an executive of a major corporation and as the owner/operator of my own business—I think I've covered the whole spectrum in terms of ways that one can serve in a working environment. I believe that would allow me to assume an appropriate role, focusing on policy and its implementation within the bridge commission.

My thorough appreciation for transportation systems that work extends to the Niagara Falls bridges. I can tell you, when everything there is going smoothly, business

on both sides of the border has an optimum chance of achieving its full potential.

Through my broad experience, which is beyond tourism, I know the importance of keeping goods and people moving smoothly and safely across the bridges. Those bridges affect industries relying on just-in-time production and therefore they affect jobs and the overall economy of this province and this country. They affect our agricultural and horticultural industries, which rely heavily on rapid and safe transport. Also, our youth who cross the border to participate in sports tournaments or educational trips rely on those bridges as well, as do those who are going to conventions or vacationing and visiting friends and family across the border. Those bridges are an integral part of the community of Niagara, with their importance reaching far beyond the border communities in both directions: into Canada and into the United States.

If accepted as an appointee to the Niagara Falls Bridge Commission, I give you my word that I will commit my knowledge and my experience to the greatest possible benefit of the bridge commission. Thank you.

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The Chair: Thank you very much, Ms. Thomson, for your opening remarks.

To the government members. Mr. Parsons.

Mr. Parsons: Joe is not here, so perhaps I'll ask the question for him: Are you a member of any political party, federally or provincially?

Ms. Thomson: Both, actually. I'm a member of the Conservative Party provincially and the Liberal Party nationally. If you'd like me to explain why, I can.

The Chair: I think it's obvious.

Ms. Thomson: Is it obvious?

The Chair: No. Sorry; go ahead. I was just making a joke.

Mr. John Wilkinson (Perth-Middlesex): You're supposed to be unbiased.

Ms. Thomson: I'm also unbiased, and I believe in good government.

Our Lord Mayor, Gary Burroughs, declared this year that he wished to stand for federal election, so he requested that people he knew help him get through the process, and I took out a membership to help him at that time. I'm proud to be a Liberal nationally and a Conservative provincially.

The Chair: Good question.

Mr. Parsons: I think I was wrong. I think Joe probably wouldn't have asked that.

Ms. Thomson: Could I just add, though, that in my job, I have to be totally non-partisan. That's my personal side. In my position at work, I'm very used to working with the government of the day.

Mr. Parsons: You are very passionate in your non-partisanship.

Ms. Thomson: I work with the government of the day.

The Chair: Thank you. To the official opposition. Ms. Scott.

Ms. Scott: Thank you for appearing here before us today and for the extensive community work you have done and the contributions you have made, and maybe for the favouritism to the provincial Conservatives; we'll work on the federal scene with you later. Anyway, enough of the political kind of stuff.

When you were approached to sit on the board, did you know there was a position coming up; did you apply online; what did you do?

Ms. Thomson: I wasn't actually approached. What happened was, every Monday I go to our town council meetings in the town of Niagara-on-the-Lake as a spectator and observe. I watch where things are going and watch the votes. Last June, one of our councillors commented on the fact that there were no local representatives on the bridge commission at that time. He put forward a motion to go to the province requesting that some Niagara representation go on the board. I then researched it on my own—it was interesting to me—to find out how one could become a commissioner. I went on Google and put in "Niagara Falls Bridge Commission appointments," and up came a site I had never seen before, which was the Public Appointments Secretariat. I actually wasn't familiar with that.

At the end of August, I applied online and received a form letter saying that my application would be kept on file for a six-month period, and then I was contacted at the end of September for further information. The next I heard was from the bridge commission: I was requested to go for an interview in February, when I was interviewed by the general manager, the chair and the vice-chair.

Ms. Scott: We certainly appreciate that members of the community, like Dr. Loucks and yourself, are going to be on the Niagara Falls Bridge Commission. We have made many points while you've been sitting here, realizing that bureaucrats had been appointed—four people had been removed and four bureaucrats, not local, had been appointed.

Why do you think the minister did that? Why do you think the minister appointed four bureaucrats to sit on the Niagara Falls Bridge Commission instead of choosing local people, which had been a 70-year tradition?

Ms. Thomson: Without knowing all the background, I can't second-guess the minister. I would only say that the process I have observed has been open and fair and shows great responsibility on the part of the government. I can only guess that he was showing a similar sense of responsibility. Perhaps it was necessary at the time, but I honestly don't know the details.

Ms. Scott: I'm kind of asking that question because you see the local papers and that, and I don't. I'm sure there's a lot of discontent in the community. The fact that he was actually extended—you heard me say that the process is that you are appointed for less than a year; therefore, we didn't get a chance to review the committee members, and in one case it has been extended until 2009. How do you feel, as a member of the commission,

about that Ministry of Transportation bureaucrat being there until 2009?

Ms. Thomson: It's my understanding, and I may not be correct, that that gentleman is going to be the chair. There are is an alternating chair. One year it's Canada and the next year, the US, I believe. But I could be incorrect. I thought that was perhaps for continuity.

Ms. Scott: Are you referring to Mr. McCuaig, who is going to be the chair?

Ms. Thomson: Yes. I don't know why I assume that. Because he's the vice-chair, I'm making that assumption.

Ms. Scott: That was one of my other questions: Have you ever been approached to possibly—I know you're not on the board yet. As Mr. Parsons says, we're here to interview and then approve or disapprove people to go on boards. Do you think a bureaucrat should be the chair, or do you think it should be a local person when it's Canada's turn to chair the commission?

Ms. Thomson: I can't comment. I would say it should be the person who has the most experience and the best vision and understanding of that board. I don't know how the chair is chosen. I don't know if it's done by the board members themselves or if it's done by the government.

Ms. Scott: Okay. I don't have the answers either, but I'm just kind of asking to see if you have been approached or if anything like that had come out when you were interviewed.

How do you feel that there are going to be three bureaucrats on the board with the local people—one is going to be the chair? Was there a lot of dysfunctionality? What was wrong with the board that the minister felt he had to go in and appoint the bureaucrats?

Ms. Thomson: To be honest, I don't have that background. I don't know. What I know is that my own dealings with the bridge commission have been superb, frankly. It's a very professional organization, which is one of the reasons I was interested in it when I heard they were looking at appointing commissioners. I have only known it to be very professional, and the work they've done, particularly in the last year, in combination with the federal and provincial governments, on putting that fifth lane in, is tremendous. It's been wonderful. It came in under budget, I understand, and ahead of schedule. That's wonderful for everybody involved. I can only judge by what I see.

Ms. Scott: I'm glad you are applying and that the process for you has been good.

I've mentioned the other concerns. I'm also going to ask: In 2005 the government stated that it would be conducting a review of Ontario's role on the commission in security and engineering issues. Do you know if any of this review has taken place?

Ms. Thomson: The annual report for the bridge commission that I read mentioned that a review had been conducted of the internal operations of the bridge commission itself and that some policy changes were in the process of being made as a result of that. With regard to security, I know that an enormous amount of money has been invested in upgrading security at the operations

centre for the bridge commission. They have, I believe, 142 video surveillance cameras on the bridges, on the six customs plaza areas and the bridge commission office itself, and the employees are subject to very stringent security. I don't know what it was before, but I do know they have taken great strides in that area.

Ms. Scott: When you were interviewed for the board, did they mention that these reviews were going on and that you would be part of the process, or what the process might be? I mentioned before about public meetings. Would they be having public meetings?

Ms. Thomson: No, I was not aware of that.

Ms. Scott: So you're not aware of the appointees from the ministry having any meetings or reviews in process?

Ms. Thomson: I'm not aware of that.

Ms. Scott: All right. You mentioned the fifth lane and how that has had a positive effect—for sure, the Niagara Falls bridge is important to all of us. Can you expand a little bit more on the most significant issues that you think are going to face the bridge commission over the next few years?

Ms. Thomson: Clearly, security is a major issue. I would also say that maintaining revenue is a huge issue, with the passport issue that is facing us now, the WHTI. That is a critical issue, and we need to come to some sort of conclusion on it, where people can get a document of some kind affordably, quickly and close to where they live; something that's easy for them to get. That has to be put in place to maintain traffic over those bridges. From a tourism point of view, it's critical to the province.

Ms. Scott: Absolutely; no question about it. Do you have any numbers, or what do you think the impact would be? They were requiring some type of identification to come across; it didn't have to be a passport, necessarily. This is the United States, right?

Ms. Thomson: Right.

Ms. Scott: And that's going to be in January 2007, or 2008?

Ms. Thomson: It's 2007 by air or sea, and 2008 by land.

Ms. Scott: That's when it's going to have the impact you're going to see most: by land.

Do you think we should move more quickly on the review that might be able to deal with the identification issue prior to its becoming such a big issue? Do you have any thoughts about how we're going to deal with that on land—Ontario in general, but specifically Niagara Falls?

Ms. Thomson: Interestingly, I just made a deputation to our local council two weeks ago on that subject, saying that it's wilful neglect if we stand back and do nothing and just wait for the date to roll around, and suddenly it's January and we say, "Oh, dear." We know this is coming, so we've been putting pressure on any area of government we can to try to come to some solution.

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There was a meeting last year in Niagara Falls with—oh, dear; I've forgotten the gentleman's last name. He's in charge of passport issuance for the United States. His first name is Frank. I beg your pardon; I've forgotten his

last name. He came to meet with us. The bridge commission was there and the Niagara Falls Chamber of Commerce as well, and some of the ministers from the government. They were talking about the alternative. He produced a trusted traveller card that he had in his wallet. He said, "Here's the card. This is what's already been prepared, and this is what we're going to be going ahead with." So at that point, we said, "Well, then, please give us the application forms. We'll start getting them into visitors' hands."

It was going to be around \$50, but I know the government is now taking other steps in the United States to potentially delay the implementation of the plan while they do an economic impact study, but I'm not entirely a fan of delay, either. I'm a big fan of getting resolution, getting something so that we know it's black or white, because in the meantime, people are still unsure if they need a passport to visit Canada or not, and we want to make sure that they understand: no passport and no delays at the bridges.

Ms. Scott: I appreciate your progressive thinking in attacking this, because you're right: We're going to have to deal with it, so let's start to plan to deal with it now. I appreciate you being here today and someone locally being appointed onto the board. You have our support. So thank you very much.

Mr. Tabuns: Ms. Thomson, again, thank you for coming down today to speak to this committee. Could you talk a bit more about the impact on the bridge should this passport requirement or identity requirement go forward without action being taken?

Ms. Thomson: Certainly. The estimates that I'd seen put the impact at between a 20% and 30% decline in the number of visitors who may come. That, looking at it strictly from the bridge point of view, is a revenue reduction from the totals right away. From the economic impact on the province and on our country, it's huge, both from an import and an export point of view. So I think it's absolutely critical, and it's the most critical issue we have facing us right now.

Mr. Tabuns: Do you have a sense of how the bridge commission itself might move things forward in the interest of cross-border travel?

Ms. Thomson: That's an interesting point. Mr. Garlock, who's our general manager, is always involved in meeting with, for example, the Binational Tourism Alliance—and, as far as I know, the government's on the other side—to try to put forward solutions and ways that they can help. The gentleman who spoke before me mentioned that the bridge commission is, in a way, simply the host. They are the infrastructure, and I think they need to provide safe, secure infrastructure. Perhaps that's the solution: to say to the US government, "Our bridges are safe." We'll put in place things that give them a feeling of security, and also the increase in the use of the NEXUS card. I know the bridges are implementing that. Queenston-Lewiston will shortly be on board as well with that. That's a way that we can get people across more quickly.

Mr. Tabuns: If in fact we're not successful, if in fact the implementation goes forward and we actually see those reductions in revenue, what sort of strategies would you press for the bridge management to adopt to deal with that drop in revenue?

Ms. Thomson: Because I don't know their budget and I don't know their capital requirements and what their plans are for the future, I don't know how much of a revenue drop they can afford to take, if I can put it that way. I do know that there hasn't been an increase in tolls for the past five years. As a tourism professional, I would hate to promote increasing tolls on the backs of also needing a passport. I'm not saying that, but I don't know what flexibility there is for movement there.

Mr. Tabuns: One of the questions I've asked previous witnesses and I'd like to ask you: At times, sitting on a board or a commission, you have to challenge established wisdom. Management, generally speaking, is hired for being strong. They will put forward positions. They will try and pull you along. I'd like to have some sense of your ability to resist going with the tide when you see that going with the tide would be the wrong thing. Could you give us a sense of or some examples of times when you've stood up and said, "The direction we're being led in is the wrong direction. I think we should be going elsewhere"?

Ms. Thomson: I'd be happy to do that. I won't do it with my impassioned speech about MPAC. I'll leave that one aside.

Mr. Tabuns: I would be happy to hear a speech about MPAC.

Ms. Thomson: That's one of my famous speeches, but I'll leave it on the side. I'll go back further, into my car business experience, when I was asked to join BMW Canada from Jaguar. At that point, BMW was just setting up their own national organization. They were taking two independent companies in eastern Canada and western Canada, owned by private individuals, and bringing them back under the parent company from Germany. I was brought in at that time to manage their sales division for the country. I had a meeting with all the dealers in the country, and there was almost an uprising in the room—which is the only way I can describe it—with people saying, "Who do you think you are, a young lady coming to us from Jaguar?" This was unbelievable. "We're not going to listen to you. We're not going to do any of these things." Well, "Sorry, that's it. This is the franchise. Here are the new rules."

We struck a great dealer council. We worked with the dealers over a period of three years and brought the satisfaction level—at that time, the dealer satisfaction level with the manufacturer was the lowest in the country, of any manufacturer—to the highest over a three-year period. But that was through conciliatory meetings, through understanding their problems, getting all the information on the table, and fixing them.

Mr. Tabuns: In your experience working in Niagara Falls, have you had experience with binational commissions, binational boards? Can you tell me, if you

have, what are the unique problems you encountered in dealing with them?

Ms. Thomson: I'm actually a member of the Binational Tourism Alliance, and I'm also on that board. The AGM was just last week. We saw one unique thing: the filing of information. You're dealing with two governments, so there was that unique thing: "You can do this in Ontario but you have to do this in New York state." That's one of the things. Another is the level of government involvement in funding operations.

We see it also even at our local level. We're working right now with the small town of Youngstown across the river and trying to work out a cross-river ferry. In this environment of, "It's difficult to get across the border," here we're trying to bring in yet another way of getting across, but we're running into situations where the US government is willing to invest millions and millions of dollars in infrastructure for what seems to be a small solution.

Mr. Tabuns: Thank you, Ms. Thomson.

The Chair: Ms. Thomson, thank you very much. It's good to see you again. Thank you for your responses to the members of the committee. Shortly we'll be doing our concurrence votes, so you're welcome to stick around and see democracy in action, as you do at the Niagara-on-the-Lake council with His Worship the Lord Mayor on a regular basis.

Ms. Thomson: I'll look forward to it.

COMMITTEE BUSINESS

The Chair: Folks, I've been notified that Lorna Marsden is on her way. She's our next intended appointee. Her scheduled interview is 11:30. We're just ahead of schedule, so what I'm going to do is proceed with other business at this time, since we have about 10 minutes to fill.

I'm going to go back to item number 3 on our agenda, which is the report of the subcommittee on committee business, agency review. I think we'll need a member of the subcommittee to read it into the record. Mr. Parsons, would you be so kind?

Mr. Parsons: It's lengthy and I'm an engineer, but I will try.

The Chair: I think, for the sake of the record, we do need it read into the record. Thank you.

Mr. Parsons: The standing committee on government agencies, subcommittee on committee business, report of the subcommittee meeting.

Your subcommittee on committee business met on Tuesday, April 4, 2006, to consider the method of proceeding on agency reviews and agreed to the following.

- (1) That the standing committee on government agencies conduct agency reviews with a view to:
 - Improving the accountability of agencies, and
 - Rationalizing the functions of agencies.
- (2) That each caucus select in rounds two agencies per year.

(3) That three agencies be reviewed during the summer recess in September and three agencies be reviewed during the winter recess in February.

(4) That the committee ask permission of the House to sit in each recess.

(5) That up to one day of hearings be allotted per agency review, and that the committee by majority vote extend the number of hearing days per agency, if required.

(6) That the subcommittee on committee business may meet to determine whether any travel will be involved in conducting the agency reviews.

(7) That a questionnaire be sent out to each agency selected, including a deadline for response back to the committee.

(8) That the committee advertise the agency reviews on the OntParl channel and on the Legislative Assembly website, and that any additional decisions regarding advertising be made by the subcommittee on committee business.

(9) That the committee sit from 9 a.m. to 12 p.m. and 1 p.m. to 4 p.m. when conducting agency reviews (subject to change and witness availability).

(10) That the Chair/CEO and agency staff be invited to make a presentation to the committee on behalf of each agency selected.

(11) That each agency be allowed a five-minute opening statement which would then be followed by questioning by each of the three caucuses in 20-minute rotations.

(12) That one half-day (from 1 p.m. to 4 p.m.) be allotted for stakeholder presentations if required, and that 30-minute presentation slots be offered to stakeholder groups, if required.

(13) That if stakeholder presentations are required, each caucus select two stakeholder groups to be invited to appear before the committee to comment on the agency selected.

(14) That the research officer provide the committee with background material on each agency selected.

(15) That the clerk of the committee, in consultation with the Chair, be authorized, prior to the passage of the report of the subcommittee, to commence making any preliminary arrangements necessary to facilitate the committee's proceedings.

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The Chair: Thank you. I'm sorry, Mr. Parsons; did you move its adoption?

Mr. Parsons: Yes, I move its adoption.

The Chair: Mr. Parsons moves its adoption as well. Before I get comment from the floor, I do want to thank the subcommittee members. We met on a couple of occasions to bring this forward to committee. I know that the subcommittee members also took the time to get input from their caucuses, so I want to thank Mr. Parsons, Mr. Tascona and Mr. Bisson for their assistance in that.

The floor is open to debate on the motion.

Mr. Gilles Bisson (Timmins-James Bay): It's pretty well as we discussed. I'm just wondering, from the sub-

committee member from the Liberal side, has your caucus actually agreed to this at this point?

Mr. Parsons: Yes, I've moved adoption. We are supportive of it.

Mr. Bisson: You're supportive. I guess the only part, and it was the bone of contention we had at the subcommittee, and just to canvass members who are here—item 5, which basically says that in the intersession you get one day per agency. For some odd reason—let's say we decide to review agency X, and all of a sudden we decide that there needs to be a longer time to look at that. This reads a "majority vote," which means to say the committee controls it, which means to say the government controls it. Is there any willingness on the part of the government to make that a decision of the subcommittee rather than the committee?

The Chair: Any debate or discussion?

Mr. Parsons: The answer is no.

The Chair: The subcommittee did meet and agreed to these 15 points. Mr. Bisson, just by way of example, made an interesting point at the subcommittee. He said, for example, that if the ONTC—the Ontario Northland Transportation Commission—was selected by one of the parties, you may want to travel to northern Ontario to actually meet with folks there. The subcommittee then decided also that it should be up to the committee to decide whether we would travel on such an occasion, and that's the report that's come back before the committee as a whole.

Mr. Bisson: The other thing is, as far as the choice of which agencies are to be reviewed—what point is that? I'm just going through it really quickly here. What is the process?

The Chair: Number 2. It says, "That each caucus select in rounds two agencies per year."

Mr. Bisson: So we're going to do the same process as estimates, basically; the same thing under the standing orders. Okay. That's all I got.

The Chair: Thank you, Mr. Bisson. Any other comments or questions?

Mr. Parsons has moved that the subcommittee report be adopted. All those in favour? Any opposed? It is carried.

Again, thank you to the members of the subcommittee, and thank you to the clerk and research counsel, who looked back on how this process had operated in the past to advise the subcommittee members. We'll look forward to that.

We will confirm this again with committee members, to be on the safe side: At the May 10 meeting of this committee, the general meeting, I'm going to ask the parties to bring forward their recommendations for the first round of interviews. We need to do this early, because we will be developing, for the first time, a questionnaire for those committees. We want to give those agencies the opportunity to respond to those questions and contact stakeholder groups. This is also the first time this has happened in probably a decade or so. We do need that time. Of course, the plan is to actually schedule

those interviews in September, but I think several months' head start will be very helpful.

Again, I will ask members to bring forward their suggestions for the May 10 meeting of this committee. We'll make that part of the agenda for that day, to finalize a first round of agencies for interviews.

I will at this point ask if there is any other business to discuss before the committee.

Mr. Parsons: Is it appropriate to discuss the coffee quality?

The Chair: Certainly. It is well within the standing orders to discuss—

Interjection.

The Chair: Oh, isn't this interesting? The clerk, at her second meeting of this committee, is continuing to make an excellent impression on committee members by suggesting that perhaps Tim Hortons coffee may be brought in in the future, if that pleases members of the committee. So there's something that we are working on.

Mr. Parsons: I think that would actually be a health and safety issue, to support the Tim Hortons coffee.

The Chair: In the absence of a motion, we will defer the coffee question for further debate.

Is there any other business to discuss? Seeing none, we will now revert back to our intended appointments.

INTENDED APPOINTMENTS

LORNA MARSDEN

Review of intended appointment, selected by official opposition party: Lorna Marsden, intended appointee as member, GO Transit board of directors.

The Chair: I want to welcome Lorna Marsden to the room. Welcome to the standing committee on government agencies. We appreciate your appearing before us. Dr. Marsden, as folks know, has an outstanding and very interesting background, as you'll see by her sheet—a former Senator, of course. I want to say, Dr. Marsden, that York University is among the favourite universities of the committee on government agencies. We may disagree if it's number 1, 2 or 3, but it was mentioned. Was it not mentioned in high favour earlier on?

Dr. Marsden, I know you're no stranger to the committee process in government. This one functions with you making some opening comments about your background and interest in this position. Then we'll follow a rotation basis from the three parties, beginning with the official opposition, for any questions. The floor is yours.

Dr. Lorna Marsden: Thank you very much. I'm very pleased to be here today. I was indeed very pleased to be invited to apply for a directorship on the board of GO Transit.

GO is a terrific asset to the people of this region. You're all aware that transit is a major issue, especially for our population at York University. We have about 65,000 students, faculty and staff on our campuses on a daily basis—in fact, all the working people in the northwest quadrant of the GTA. We see the need for

transit both to go to study or to the workplace, and the service-oriented attitude that GO has towards serving the people of our region is really quite striking.

Just as a little bit of background, we have 1,600 buses a day rolling through the centre of our campus, and GO accounts for a very large proportion of them. They bring students, staff and faculty from Hamilton and Unionville. Those of you who know our campus will know that they come right into the middle. This is something that's been going on for a short number of years, but very effectively. Of course, it really does help in every way: It's safe, it's economical and it's environmentally sustainable in a way that cars are not. We also park 35,000 cars a day in 11,000 parking spaces, so convenient public transit is absolutely essential.

We also know that if you offer the population of our university public transit, they will choose it above cars wherever they possibly can. For all these reasons, I think public transit, in whatever form it takes, is extremely important and a very interesting topic, both for planning and in other ways.

I was very pleased that the minister asked me to consider applying for this position. I think it's a very important public board. I'd be very honoured to serve on this board.

Let me conclude by saying what I bring to the board. I think there are three things. One is a genuine interest in the effectiveness, the efficiency and the building of public transit and regional transit throughout the province. Let me just add that I was previously the president of Wilfrid Laurier University in Waterloo, and it was the dearth of rail transit there that had a real impact on the daily life of that whole community, certainly on the university's, because it left thousands of workers and students and others at the mercy of the 401, which is clogged, icy, foggy and all of the other things. If there was a major accident, students or staff just didn't make it to the university. There was no rail alternative. I have no idea if GO contemplates working with other systems or indeed that area, but that is the kind of issue that I think is really interesting and important for the whole province.

Of course, the situation only gets worse on the roads. One of the things I bring is real interest and enthusiasm, although, at this point, not a great depth of knowledge of how this is all going to work out.

You probably are aware that I have considerable experience on boards in both the public and the private sector. I initially served on the board of Air Canada when it was still a public utility a number of years ago. I learned quite a bit there about load factors, scheduling, sustainability, capital investment, how to read those kinds of financial statements. I currently serve on both private boards.

I should tell you and want to tell you that at the annual meeting of SNC-Lavalin coming up next month, I am a candidate for election to that board. I am aware that SNC-Lavalin sometimes has interaction with GO Transit. I checked with the minister's office and with the chairs of both GO and SNC-Lavalin to see if they saw any conflict

beyond the usual conflict guidelines, which I would follow anyway and all of them would follow. They all agreed that this was very congenial. Apparently, there was previously a GO member on the board of SNC-Lavalin at some point in the past, so this was not a new situation to them. I may not be elected, but if I am elected to that board, I just wanted you to know about it in advance.

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I have therefore worked on audit, governance, environment, planning committees of boards and of course I serve, as you know, on the board of my own institution, York University. Therefore, I understand and appreciate the vital difference between being management and being directors—the very great differences in the roles and the skill sets that are involved on both sides of the table. I believe that experience would be—I hope it would be—helpful to the GO board if I should be appointed. Thank you.

The Chair: Thank you very much for your opening comments. Any questions from the official opposition first?

Mr. Tascona: I want to thank you, Dr. Marsden, for attending here today. I certainly appreciate your interest in GO Transit. I represent the areas of Barrie, Innisfil and Bradford, and we have GO service in Bradford. Expansion of that area is ongoing right now, to go from three trains to perhaps six trains. Right now there are ongoing discussions with the province and the city of Barrie for expansion of GO Transit to Barrie, which is important to our area, and I think somewhat to York University because a lot of students come from Barrie to York University.

Unfortunately, GO Transit was removed from Barrie in the 1992 budget of the NDP government when Bob Rae was the Premier. I think that was a short-sighted decision, and we haven't been able to get it back since. Also unfortunately, it's been reported in the newspapers that there are difficulties going on with the city of Barrie and the province of Ontario with respect to expanding it to Barrie. That doesn't seem to be something that's isolated. It appears in newspaper reports that there are some issues with respect to the existing municipalities in the GO Transit system and their 10-year expansion plan. I think they're looking at \$1.7 billion, and their position at this point in time is not to pay for it with property taxes beyond 2007.

That's a bit of a dissertation, but the thing is that GO Transit—I really believe in public transit, and I think you do too. There are some hurdles here that have to be dealt with. Have you got any comments in terms of how we're going to be able to deal with what would appear to be funding issues, but also service issues, that are going to be important in the next 10 years?

Dr. Marsden: It's a very important question. We certainly have a deep interest in the Bradford line. I would look for an early briefing on those questions from the folks at GO if that happens. We have a GO railway station at York, and the big obstacle is the CN freight line

just north of it. There is a need for grade separation, which as you know is a very expensive undertaking. One of the issues I would certainly ask about if I were on the GO board is getting rid of that obstacle, because until you do that, you can't run trains except early in the morning and late at night, which are already being run.

Obviously, it is a really important issue in regional transit. I have no idea what GO plans to do, but I do agree with you that it's a very important issue.

Mr. Tascona: It seems to be the funding in terms of my area, and it's probably common in other areas that do have the service—that being the alternative to using your vehicle. Now, with the price of gas going up, it may not be such a major decision, but it's important because that's one of the reasons why there was difficulty with the service in our area. We have a lot of GO buses. I think we have at least 10 to 20 GO buses a day going out of Barrie, and they all go onto the highway. That service has obviously proven to be acceptable.

But in terms of the existing system, there are concerns, because they're also looking for—in our area, there's no rail north of Barrie. That was taken out as part of the decision of, I think, the federal Liberal government in 1996. They passed a law allowing CN and CP to divest themselves of the lines if they felt they weren't economically viable. The Orillia line, which is a great bike road now for about 30 miles, was taken out about three weeks after the decision gave them that right.

We're faced with the situation where Highway 400 is just becoming unmanageable because of the growth, and it's not going to stop, yet we don't have any solution with these negotiations. One of the problems is that Barrie owns that rail line, and they're discussing whether the line should be owned by Barrie and the service provided by GO, or Barrie should sell that line. I think maybe it's going to become an issue with respect to the overall line, because I believe the province owns the line for the rest of the municipalities that are involved in this service. You may know more than I do, but I understand that the line is something that GO purchased and they now own the line in those particular areas, and we're dealing with upgrades.

Looking at it from an expansion of the service, how are we going to make this service an alternative for people to want to use when there are different stations you have to stop at and you've got a funding issue in terms of making it a faster service—because people want that faster service. How do we overcome these types of obstacles? Because all of it seems to come down to funding and willingness to believe in public transit.

Dr. Marsden: Obviously, I can't answer the questions you're asking me explicitly, because I just don't know. I have to say, we're very encouraged by the government's investment in transit—the recent announcement about the subway extension. Yesterday morning, I went to hear Mr. Flaherty speak at the Markham Board of Trade. He spoke very positively about the need for the federal government to meet what he described as their obligations to their partners: Ontario, and regional transit and infrastructure.

Now, that's not explicit, but both of those things, I think, should give all citizens hope for improvements in infrastructure, and transit infrastructure as well.

Mr. Tascona: Yes. Do you see a plan out there in terms of how to do this, though? It's a lot of talk.

Dr. Marsden: I can't answer the question because I don't know. I'm sure there are many people who are working hard on that, but at the present time I haven't had access to that. Certainly, I'd be interested.

Mr. Tascona: Well, I certainly hope you're active with respect to what's going to be needed out there, because I think we're at a point where we have to have some kind of plan. Certainly, at the municipal level, the provincial level and the federal level, they have to get their act together to do that. I've really been impressed with GO Transit. I believe their management and the people who are running it really have the vision, but they can't do it all themselves.

Those are all the questions I have, unless my colleague does.

The Chair: Ms. Scott? You still have about four minutes.

Ms. Scott: Thank you very much for joining us here today. Lorna was very kind to receive me when I was critic for training, colleges and universities. I had a great tour of York University and met with you and some other colleagues. I compliment you on the job that you're doing at York and all the past jobs that you've done—a lot of women in politics, women in public life and promotion of women in those roles. I thank you for your contributions and your many jobs that you've had, and being with the Senate, even though it was the Liberal side of the Senate. You did a lot of great work there, and a lot of your former colleagues in the Senate speak highly of you. It's great.

I know that York University is near and dear to your heart, and thus GO Transit. You're right—you mentioned the number of students and people who go through York University all the time. I know it's a challenge. I know in my riding of Haliburton–Victoria–Brock we'd like public transit. I don't expect GO to be that close. It comes to the Brock area of my riding, but I know Peterborough was certainly mentioned as part of the regional sites that GO should go to. I say to you, keep that in mind. You have a good background with the regions and combining them, and I'm hoping that we can work together with the federal government for increased public transit.

I know my colleague John O'Toole had brought up the tax credit. He'd brought in a private member's bill on the tax credit as an incentive for more people to use public transit, and the federal government had mentioned that also. Do you have a comment? Do you think a tax credit is a possible way to improve ridership—I mean, we have to put some infrastructure in place first—or is the one-fare system, which I believe exists now in the western part of the city? Do you have any comments on the one-fare system and the public tax credit for people?

Dr. Marsden: As you know, there's never any one simple answer to those kinds of issues. I'm sure that all

of these ideas for increasing use of public transit need to be looked at, but in a context that I can't really comment on at the present time, because you have to get into some of the depth of what the financing is. I know that GO recovers 87% of its costs, from charges they have now, which I think is pretty impressive in terms of public transit. As for the inside way that works out, it needs more study than I've given it at the present time. I would imagine that the board of GO is seized with all of those alternatives. I don't know whether a tax credit's a good idea or not. I don't know what the costs of it are. I'm pleading ignorance here, but interest.

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Ms. Scott: That's good. I certainly believe that you're going to be a very active and progressive member of the GO Transit board. Thank you for appearing here before us today in your busy schedule; you had to make it down here. I really appreciate the fact that you're interested, and you certainly have our support.

Dr. Marsden: Thank you. I must say if the subway came all the way to York, I'd have been here even earlier.

Ms. Scott: A nice point.

The Chair: Mr. Tabuns.

Mr. Tabuns: Thank you, Dr. Marsden, for coming today. Could you give us a sense of a vision you have for GO within the GTA? Have you thought about GO in those terms?

Dr. Marsden: I certainly think about GO. Whether my vision bears any relationship to those of the people who have been studying it for a long time because they're directors or management, I don't know yet, but I hope I've been clear on the fact that I really believe we have to serve the people of this area and this province with public transit. We work with all of them closely—with TTC, with YRTC, with the new Viva, which is doing so well in York region. We work with them all.

Insofar as I have a vision, which, as I say, may not turn out to be concurrent with anybody else's, it's to make it easier, faster and more convenient, and that might have any number of parts to it. But I see the struggle of students, virtually all of whom hold part-time jobs. They have to go to classes, they have to go to work, then they come back for classes. So they're just in constant motion, which is why we can park 35,000 cars a day in 11,000 spaces, because our turnaround rate is higher than anywhere. So for students it's a particular pattern of transit.

But if you look at the United Way's study, for example, of access to social services and you look at the northwest quadrant of the city and you see how few people living in—not only Jane-Finch, but Jane-Finch has needs that don't exist in some other parts of the city—how difficult it is for them to get to the youth employment service or the immigrant service because the transit isn't there, you have to worry. I'm sure you've seen those United Way maps of the city—

Mr. Tabuns: I have.

Dr. Marsden: —and those two blocks that are underserved are northwest and northeast of the GTA. We just

have to do better. What form that takes in an efficient and sustainable way is something I look forward to finding out.

Mr. Tabuns: Just following on that, then, how would GO, which I think of as a regional carrier rather than a carrier within Toronto—I know it does have some stations in Toronto, but they're fairly limited. How do you see GO actually addressing those transportation issues within the city of Toronto, the ones you've just cited?

Dr. Marsden: A lot of people who live in the city work outside the city in the surrounding regions, and vice versa. Especially when you live on the boundary, as we do, the crossing is just endless. The GO buses now that take the Brampton northwest people through to the York Yonge Street line and then circle back and come through our campus and go back again are already providing terrific service. Whether that's the best solution in the long run I think is a real question, especially as the TTC expands its line.

But one of the, I think, most wonderful aspects of the government's recent announcement on the subway expansion is that it does cross that magic boundary into York region going up to the Vaughan Corporate Centre and linking into Viva on Highway 407. That's really going to help with congestion downtown and so on when it comes, but it's not going to come tomorrow. In the meantime, what's impressed me, and I hope other people, is the responsiveness of GO to demand. Buses are fairly flexible, but they have been really responsive, not only because the president of GO is a York graduate.

Mr. Tabuns: Let's pause for a commercial break.

I've seen sprawl as a significant enemy of viable transit. It increases costs; it makes it far less convenient. Will you, in your position at GO, speak out against sprawl and speak for an urban form that is able to support transit?

Dr. Marsden: May I respectfully ask, do you think that would make any difference? Surely the sprawl issue comes into other planning areas, and if that is what is planned, then isn't it the obligation of public transit to serve whatever higher levels of government have planned? I might accept your viewpoint about sprawl, but nonetheless, if you are a public service serving the public, you've got to serve the public, even if decisions have been made that you don't agree with.

Mr. Tabuns: No, I don't disagree that you have to serve the public, but I would think that the Minister of Transportation would listen to agencies that are funded by the Ontario government and that the minister would expect to hear from agencies who say, "If in fact another arm of the government or of a local government proceeds in this direction, you will drive up our costs significantly and make it difficult for us to serve all the customers we have to serve." I would expect that all the agencies of any government would comment on policy direction, even if they didn't hire lobbyists, but at least gave the benefit of their experience. I know that TTC has spoken from time to time on development in the city of Toronto and said,

"This development is a problem for us," or "This development is advantageous for us."

Would you be taking that position, then?

Dr. Marsden: It's an excellent point. Certainly, I would speak out at the board, as I speak out, I'm afraid, everywhere. Presumably, it is the duty of the chair of the board of directors to bring forward the views of the board, but I would certainly speak out as a member of the board. But as I've said before, I need to understand and study and learn a great deal more about how the whole thing works.

Mr. Tabuns: If I were sitting in your chair, I'd give a similar answer on having to learn.

Do you have thoughts on integrating GO service with bicycle networks in suburban areas? I'll just say, I've seen in western Europe some very successful regional rail lines that integrate with bicycle networks. Do you have thoughts on that?

Dr. Marsden: Yes. It's amazing what the bicycle networks now are in the GTA. We have staff members who ride their bikes from the Beach, as we now call it, to the university on a daily basis, without much travel on public roads. It's really quite amazing. I'm a big fan of bike paths.

Mr. Tabuns: Would you be a big fan of making sure that GO Transit accommodated bicycle commuters—

Dr. Marsden: On the buses.

Mr. Tabuns: Well, not just on the buses, but having safe storage areas for bicycles in suburban areas so that people could bike to their GO station and safely leave their bicycle there?

Dr. Marsden: Sounds terrific to me.

Mr. Tabuns: Do you have any other thoughts on where we need to go with transportation in the GTA?

Dr. Marsden: I have to say, given where we are, the single fare or the single pass or whatever form it takes would really improve the lives of people. I don't know where that comes from, but I read about it in the newspapers as being perhaps a feature of a broader integrated transit authority. I can see how convenient that would be for students who are travelling across boundaries. So from my point of view, that would be very, very important. As one of the other members, from Barrie, said, we have a huge number of people who live in Barrie and work on our campus, and they do come down on the Bradford line. They commute part of the way. But of course if they cross that and get on the TTC, then they have another fare etc. So how the economics of that works out must be extremely interesting.

Mr. Tabuns: Okay. Thank you, Dr. Marsden.

The Chair: Government members?

Mr. Parsons: No questions, thank you.

The Chair: Everybody's happy? Great.

Dr. Marsden, a pleasure to see you again. Thank you very much for joining us and for your presentation and response to our members' questions.

Dr. Marsden: Thank you very much.

The Chair: You're welcome to stay for the drama of the concurrence votes about to transpire. Stick around.

Dr. Marsden: Thank you, but we're working very raptly on our graduate student plan, so I'm afraid I'll have to go back. Thank you very much.

The Chair: You bet. Good to see you again.

Folks, we will now proceed to the concurrence votes in the order in which they appeared.

We will now consider the intended appointment of Gloria Connolly, the intended appointee as a member of the Ontario Judicial Council.

Mr. Parsons: I would move concurrence.

The Chair: Mr. Parsons moves concurrence. Is there any discussion? Seeing none, all those in favour? Opposed? It is carried.

Ms. Connolly, congratulations. Best wishes at the Judicial Council, and thank you for sticking around.

We will now move to the intended appointment of Dr. Kenneth Loucks, the intended appointee as member of the Niagara Falls Bridge Commission.

Mr. Parsons: I move concurrence.

The Chair: Any discussion? All those in favour? Any opposed? It is carried.

Dr. Loucks, best wishes with the NFBC.

We will now consider the intended appointment of Janice Thomson, the intended appointee as member of the Niagara Falls Bridge Commission.

Mr. Parsons: I move concurrence.

The Chair: Any discussion? Seeing none, I'll pose the question: All those in favour? Opposed, if any?

Ms. Thomson, congratulations. We wish you continued success in Niagara and with the Niagara Falls Bridge Commission.

We will now consider the intended appointment of Dr. Lorna Marsden, the intended appointee as member, GO Transit board of directors.

Mr. Parsons: I move concurrence.

The Chair: Any debate or discussion?

Mr. Tascona: I just wanted to comment on Ms. Marsden's responses. I was very impressed by the fact

that she looks like she wants to get on it hands-on, and the fact that she said that one area she'd look at when she got in there was the extension to Barrie with respect to GO Transit. I think it's what we need on that GO Transit board: some initiative from the board of directors with respect to working with the provincial government to put them on the right line. I think she's a good addition to the board. Thank you.

The Chair: Any further discussion or debate? Seeing none, I'll put the question: All those in favour? Opposed, if any?

Congratulations to Dr. Marsden, and best wishes on the GO Transit board of directors.

We have already completed the other parts of the agenda. I will tell members that our next scheduled meeting will be May 3, 2006, for intended appointments. So make sure you mark that on your schedules.

One thing to note as well, which you will see on your official yellow paper notice in the House, is that we are vacating room 151 this time in favour of room 228. So it will be at a different place, the reason being that Bill 14 is before the justice committee and they've asked to use the Amethyst Room for the public hearings on Bill 14, to which the Chair has said fine. That is on May 3. So next week we are not meeting unless you're notified otherwise. There are no plans to meet next week. The next meeting of the agencies committee will be May 3 in room 228.

Mr. Tascona: Does that mean we're not going to be on television?

The Chair: That will mean that for one week, those people watching at home will have to go without the standing committee on government agencies and will have to settle for Bill 14 instead. Any other comments?

Mr. Parsons: The meeting actually may be shorter.

The Chair: The meeting may be shorter as a result.

Thank you very much, folks. We are adjourned.

The committee adjourned at 1153.

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STANDING COMMITTEE ON GOVERNMENT AGENCIES

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Official Report of Debates (Hansard)

Wednesday 10 May 2006

Journal des débats (Hansard)

Mercredi 10 mai 2006

**Standing committee on
government agencies**

Intended appointments

**Comité permanent des
organismes gouvernementaux**

Nominations prévues



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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GOVERNMENT AGENCIESCOMITÉ PERMANENT DES
ORGANISMES GOUVERNEMENTAUX

Wednesday 10 May 2006

Mercredi 10 mai 2006

The committee met at 1002 in room 151.

SUBCOMMITTEE REPORTS

The Chair (Mr. Tim Hudak): Good morning, folks. I'm going to call to order the standing committee on government agencies for our regular meeting of Wednesday, May 10, 2006. Welcome. We are going to begin with the subcommittee reports. First order of business is the report of the subcommittee on committee business, dated April 20, 2006.

Mr. Ernie Parsons (Prince Edward-Hastings): I'm not in my chair, but I move adoption.

The Chair: You're close enough to your chair for it to count. Any debate on the subcommittee report? Seeing none, all in favour?

Mr. Jim Wilson (Simcoe-Grey): Which one are you doing?

The Chair: Good question. April 20, 2006. It's the first one, which basically says the intended certificates were received and selected for review.

Mr. Wilson: Mr. Chair, it was my understanding, because I'm not a regular member of this committee, that you were going to do subcommittees at the end when our regular member is here.

The Chair: You know what? Thank you, and I do want to welcome Mr. Wilson and Mr. Hoy, Mr. Zimmer, an occasional guest star and, of course, our three regular panellists. Welcome. Everybody's looking great today, by the way.

Mr. David Zimmer (Willowdale): I'm pretending to be Mr. Wilkinson.

The Chair: You're Mr. Wilkinson today? Okay, fair enough. Mr. Bisson and Ms. Scott are both on another committee, so they're going to be coming back. I did talk to both of them before committee. They came in and approached me. I'm going to move the agency selections and other business to the end of the intended appointments, which is what we tend to do in this committee, I think it's the best way of doing it, so that we do our interviews close to the time allotted.

The subcommittee business, in my view, is a routine matter, and neither Mr. Bisson nor Ms. Scott had any concerns about the subcommittee reports that were expressed to me, so I'm going to proceed with those. Any other debate on the subcommittee? All in favour? Opposed, if any? It is carried.

The next order of business is the report of the subcommittee on committee business, dated Thursday, April 27, 2006.

Mr. Parsons: I move adoption.

The Chair: Mr. Parsons moves adoption. Any debate on this subcommittee report? Seeing none, all in favour? Opposed, if any? Carried.

Third report of the subcommittee on committee business, dated May 4, 2006.

Mr. Parsons: I move adoption.

The Chair: Mr. Parsons moves its adoption. Is there any discussion? I'll put the motion. All in favour? Opposed, if any? It is carried.

Thanks, folks. As I indicated, we will discuss agency selections after our intended appointments, as well as other business.

INTENDED APPOINTMENTS

WILLIAM RUPERT

Review of intended appointment, selected by official opposition party: William Rupert, intended appointee as member, Ontario Energy Board.

The Chair: We'll now move to agenda item number 5, which is our appointments review. Our first interview is with William Rupert. Mr. Rupert, welcome. Please take a seat there at the committee table. Mr. Rupert is an intended appointee as a member of the Ontario Energy Board. If you want to pour yourself a glass of water or juice or coffee, please go ahead. The way the committee operates is that you're welcome to make opening comments about your background and your interest in the position on the Ontario Energy Board. Then we use a rotation method for any questions or comments from committee members.

Today's rotation is to begin with the third party. However, Mr. Bisson was pulled away to another committee, so it will go to the government for the first round of questions.

Mr. Rupert, the floor is yours, sir. Welcome.

Mr. William Rupert: Thank you, Mr. Chair. I'm pleased to be here today to respond to questions from the committee.

I do have a few, brief opening comments on my background and experience. I'm honoured to be considered to be a member of the Ontario Energy Board. This is, to say the least, an interesting and challenging time in the sector

in Ontario. Given my skills and background in the energy sector, I believe I will be able to make an effective contribution as the board carries out its important work.

My experience in the power and natural gas industries really comes from three sources: my accounting and business advisory work during my period as a partner at Ernst & Young; my five years as a member of the technical panel of the Independent Market Operator, or IMO, now known as the IESO; and my role as managing director of regulatory policy development at the Ontario Energy Board from mid-2004 to December 2005.

I'm originally from Peterborough, where I attended Trent University and received my undergrad degree. I later received an MBA from McMaster. In 1975, I joined the audit and accounting practice of Clarkson Gordon, which later changed its name to Ernst & Young, where I qualified as a chartered accountant. Except for two years in the 1980s, when I worked in the United States for the Financial Accounting Standards Board, I then spent the next 29 years at Ernst & Young, 19 of those years as a partner.

I had many roles at E&Y over the years: as an auditor, a technical accounting expert in the firm's national office, leader of the capital markets practice of the firm, and a senior partner in the business advisory practice specializing in risk management and energy.

Drawing on my earlier experience with risk management and hedging issues at financial institutions and mining companies, in the 1990s I started to actively work with energy firms to analyze, understand and manage the risks that went along with deregulated or restructured energy markets. I did a lot of work in that area, both in Ontario and other parts of Canada and the United States. As well, I advised energy clients on a broad range of other issues, including business process design, internal controls, accounting policies and financial due diligence on proposed acquisitions and so on.

A list of my energy sector assignments while I was at Ernst & Young is attached to my CV, which I believe you might have.

In 1999, I was named as the financial sector member of the technical panel of the IESO. The technical panel is a 12-member panel that reports to the IESO's board of directors and is charged with developing new or amended rules for the wholesale power market in Ontario.

I remained on the panel for five years, until June 2004, when I had to resign after accepting the position of managing director, regulatory policy, at the OEB. I left the technical panel after five years with an in-depth knowledge of the wholesale power markets in Ontario and a knowledge of all the players in the market. As well, for a non-engineer at least, I think I gained a decent understanding of how the power grid in Ontario operates.

I moved to the OEB in July 2004 as managing director of regulatory policy development. In that role I was a member of the organization's senior management team and its executive committee. The regulatory policy development group that I led included over a dozen staff responsible for quite a variety of things, including de-

veloping regulatory policy options for consideration by the board; developing or amending OEB codes and rules that govern the activities of licensed entities; carrying out research on emerging issues in Ontario and elsewhere; and liaising with regulators and other organizations outside Ontario. The work required industry and technical knowledge, of course, but equally important, it required considerable consultation and interaction with the various stakeholder groups in this province, including consumer groups.

For the year and a half I was at the OEB, the regulatory policy group took the lead on many significant and often complex issues. One of our most important assignments was the design and implementation of the regulated price plan for low-volume and designated consumers that took effect last April 1, 2005, and recently had new prices, just a couple of weeks ago. We also took the lead in our team on developing the response to the Minister of Energy's July 2004 directive on smart meters.

I left the OEB in December last year to take a break, do some travelling and think about what I wanted to do for the next part of my career. When I left the board I had no contemplation of returning as a board member, or even returning to the OEB for that matter, but as I considered this opportunity, I realized that this is a very interesting and challenging job, one that I would really like to do.

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I do not have any experience as an adjudicator, but I think I can do a good job as a board member given my knowledge of the sectors here in Ontario—gas and power; my experience with a lot of stakeholder groups in the industry through my work at the technical panel and at the OEB; my finance and accounting background, which I think is very relevant for an economic regulator; my familiarity with and great respect for the OEB's role, its board and staff and its structure and processes; and I think from my days at Ernst & Young and also my days at the OEB, I do have a lot of experience with making decisions on complex and contentious issues that are in the public interest.

So I'm pleased to be here today, and it would be an honour to be a member of the OEB.

The Chair: Mr. Rupert, thank you very much for your opening comments and information about your background. As I mentioned, rotation would have begun with the third party, but Mr. Bisson was unfortunately called away to other committee business. Government members, it's your turn.

Mr. Parsons: For a non-engineer, you've done good. We have no questions. We're more than impressed with the qualifications.

The Chair: There you go; you're on a roll here. You have four votes, anyway.

Mr. Wilson, it is your turn now.

Mr. Wilson: Yes, I think you're probably better qualified than any minister, and I'm the former Minister of Energy who started all this. So it is difficult to ask you questions, but I will ask, how did you become the managing director? Did you apply for that job originally?

Mr. Rupert: I was originally approached some time earlier in 2004 by Howard Wetston, the chair of the OEB, as he was undertaking and about to start the whole search process. He spoke to me and indicated he would like me to submit an application. So I thought about it and decided I would throw my hat in the ring.

Mr. Wilson: And the technical panel? How did you come to be on that? I was wondering if I had appointed you, given the time frame that you were on there. But I didn't appoint the members of the technical panel, just the IMO.

Mr. Rupert: I believe you may be right. I think the minister had to approve them.

Mr. Wilson: I think I rubber-stamped it, yes.

Mr. Rupert: On the technical panel, I'm not quite sure how my name got on to the list of candidates there. I was contacted by the management of the ISO as they were looking at two or three candidates. I went through a process and they selected me.

Mr. Wilson: I'm just wondering, in terms of your understanding of the relationship between the minister or the government and the OEB, do you want to comment on that?

Mr. Rupert: I think very clearly the minister or the government sets the energy policy in the province. It's not the OEB's role to set policy, but the OEB will advise, if asked by the minister for advice on issues. But the OEB's role is very much one of—it's got its legislated mandate, as you know, very clearly in the legislation as to what its obligations, duties and roles are. It sticks very much to that and trying to do that as efficiently and practically as possible, and also with enough foresight. One of the things the board spent a lot of time on was looking ahead at what's coming down the pike. But I think the roles are very clear. There's probably a legislated reporting relationship somehow between the minister and the chair, but I think the OEB really operates as a quasi-judicial, independent tribunal.

Mr. Wilson: Along that line, given the upward pressure on electricity prices, for example, if the government was to give strong hints to their political appointees on the board that you should keep prices low or artificially low, how would you respond to that?

Mr. Rupert: I think there's no way that can be done under the construct we have today. The legislation and the way the pricing is to be set for the low-volume and designated consumers very clearly is that the price is to be set to collect the full prices charged by generators. There are a lot of technical details in how that works and variance accounts and so on, but the price is not something that the OEB dreams up or decides, "This is a good price." There's a lot of work behind what it's going to cost: what the generators are going to charge for the next year; what the weather is going to be; what the demand is going to be. Out of that falls the price, and the price is what it is.

Mr. Wilson: Have you had any problems in the past or any thoughts about the accuracy of the forecasting of the OEB, particularly with gas prices?

Mr. Rupert: No, I don't have problems. It's not a surprise to me at all that last year the prices that were set were lower than actual, given the summer we had, of course, with all those days over 30 degrees centigrade. Gas prices started to spike and then there wasn't as much water last year as there traditionally is for the lower-cost hydro plants. So I wasn't surprised at all—I don't think anyone should be surprised—that the prices we set came in lower than actual. In fact, if I recall, I think we were about—the amount that gets added in to this year's price to take care of last year's variance was about 10% of the prices we set, more or less. We had a pretty extreme year last year, as you know.

The forecast is a tremendous piece of work. I'm quite impressed with it. There are a lot of documents on the website, for those who want to look at the details, the assumptions, the background and so on, but forecasts are forecasts; invariably, they'll be wrong one way or another. The job at the OEB is to make it as objective with as many references to public sources as possible so that the public and the stakeholders can understand how we got to the price.

Mr. Wilson: This is probably an unfair question and you don't have to answer it, but do you think we'll ever have true competitive markets in electricity in this province, or anywhere?

Mr. Rupert: I don't know about how far you go with "true." I would like and I think the direction over time would be that we can get more competition, more markets in here. We're not there today, for a lot of reasons, and we can't change where we are; we have to work out of where we're at. However, I do think that there are a lot of benefits in the long run to having more of the risk taken on by private sector firms and having more choices for consumers, but that's some ways away. We've got a hybrid system now, and the direction is to try and move out of that, but it'll take some time. As well, as you know, in the other jurisdictions in North America, this has not been an easy ride either.

Mr. Wilson: No. I wish they'd told me that before I started.

One of the concerns I had—and I'm probably doing the government a favour by asking this—but the backlog at the OEB used to be quite a concern. I'm not sure what it is there now. Perhaps you can comment on it. We had one fellow take a year and a half to hear a very simple rate application from an MAU, for example. It got to be a little ridiculous there at one time. Do you want to comment on the work ethic there?

Mr. Rupert: Things are moving much more efficiently and I think they will continue to move that way. One of the things that you will know well is that when Bill 210 was introduced, aside from commodity pricing, it also removed the ability to set distribution rates from the OEB for a period of time. It meant that in 2004 and coming in 2005—and it's just been wrapped up recently—the board had to deal with rates of distributors that hadn't been touched for a long time—some 90 distributors. It was a huge amount of work, which has just been completed pretty much. That's one thing that

will make life a bit easier for the board going forward if that's out of the way.

The other thing that was introduced when I was there—and this really comes in another part of the board that I did not lead—the board has now published standards for its work on hearings: How long should a hearing take? How long should we take before getting back to an applicant with an answer on how things are going to proceed? There are performance measures in place, and they're being tracked and publicly reported on. That's a tremendous way to get efficiencies: to have standards that are publicly released and that we track and report to the public on our performance.

Mr. Wilson: An interesting question that our researcher came up with here was if you had any opinions on other means the board might take to protect the interests of consumers and suppliers—he's talking about RPP—such as requiring more frequent review and re-setting of rates for the use of earnings-sharing mechanisms.

Mr. Rupert: I don't think the earnings-sharing mechanism is going to work, because the distributors who charge this price to the consumers who are covered by it don't make any money on it. So they just pay the amount to the IESO and charge the consumers.

When the RPP was designed last year, one of the points that was debated at length in the working groups that were set up to help us work out the details was the frequency of setting the price. As you know, in gas, it's reset quarterly. There's a lot of sympathy for quarterly resets, but one of the problems at the time that was identified—and it's a serious practical problem—is that many of the distributors continue to bill large parts of their customer base every two months. If we're going to start changing the price every three months with a two-month billing cycle, it was a great concern that consumers would be very confused by this constant change of prices. So this year it's going down to six months. Last year, for the first year, it was one year. Most people would agree that's too long, but that was the first year of the program. This year, it's six months. When time-of-use meters are more prevalent in the province and we can have automated meter reading, it would be a good idea to change it, to reduce the frequency. Right now, six months is what the industry can handle practically.

Mr. Wilson: Thank you very much.

The Chair: That does conclude the time. Mr. Rupert, thank you very much for your attendance and your response to the members' inquiries. You're welcome to stay too. We have one more intended appointee and then we proceed to our concurrence votes. You may want to stick around for that. Thank you for your time, sir.

1020

KUNJANA BAHL-KHURANA

Review of intended appointment, selected by third party: Kunjana Bahl-Khurana, intended appointee as member, Social Benefits Tribunal.

The Chair: Our next intended appointee is Kunjana Bahl-Khurana. Welcome to our committee. Please grab a seat and make yourself comfortable. Thank you for your attendance. You've been here to see a little bit of it, so you know you're welcome to make some opening comments about your interest as an intended appointee as a member of the Social Benefits Tribunal and any background that you wish to share with the committee members. Then we'll have a rotation for questions. Since the government started the last time in Mr. Bisson's absence, we'll start with the official opposition. Ms. Bahl-Khurana, the floor is yours.

Ms. Kunjana Bahl-Khurana: First of all, I'd like to start off by saying thank you, Mr. Chairman and members of the committee, for giving me this opportunity to appear before you with respect to my intended appointment to the Social Benefits Tribunal. Sorry, I'm a little bit nervous. It's a little nerve-racking being here. I would like to take a few moments to tell you a little bit about myself and then I'll be more than pleased to answer any questions you may have.

I received my bachelor of business management from Ryerson University in 1997, and then I went on to achieve my certified management accounting designation in 1999. My professional work experience over the last 11 years has been in large multinational corporations such as State Street Fund Services, IBM Canada and CIBC, where I have held various finance and accounting roles.

The skills I have attained through my education and my work experience have not strictly been balancing the books and making journal entries. Finance and accounting involve ethics, integrity, impartiality, adhering to and interpreting the rules, negotiating between parties and, most importantly, educating non-finance and -accounting individuals and ensuring that they are able to understand the rules and the application of these rules. These are all transferable skills that I will be bringing to this appointment.

Between 2004 and 2005, I set up and ran my husband's optometric practice. He's a great doctor, but he doesn't quite have the business background needed to start up a new business. Once the practice was off the ground, I decided to find a full-time job again. The lessons I learned from running a small business are too numerous to name, but the most important one is how vulnerable one is when you don't have a safety net.

To help you understand why I am interested in this particular agency and this role, I'd like to tell you something that you won't see on my resumé. I was born in India and I was raised in Africa. My family moved to Canada in 1989, and I've been proud to call Canada my home since then. I studied in England while I was in university. After experiencing life on four different continents, I wouldn't trade my life here in Canada for anything in the world. I also realize that despite being part of the First World, we have far too many people in our country who are unable to provide basic necessities for their families. In Canada, we are lucky to have social

assistance programs available for these people who need our support.

I had been considering a change in my career path that would allow me to use my education and skills to contribute to our general community. I started researching federal and provincial government websites and found my way to the Public Appointments Secretariat website. I chose to apply to the Social Benefits Tribunal because that is where I thought I would most be able to make a difference and best apply my skill sets and my education. I was invited to appear before a panel interview in February, and last month I was contacted and asked to appear before this committee.

I bring with me excellent communication skills, an eagerness to learn, a willingness to contribute, resourcefulness and attention to detail, an aptitude for negotiation, fairness, accountability and, most importantly, integrity. I'd be happy to answer any questions you may have.

The Chair: Thank you very much, Ms. Bahl-Khurana. We're starting with the official opposition, as I recall.

Mr. Wilson: Thank you very much. You do seem very qualified. And don't be nervous. We're all walking nervous breakdowns around here, but there's no reason why the witnesses should be.

You've had some pretty good financial positions in the past, and responsible positions. Are you aware of the pay situation on this board?

Ms. Bahl-Khurana: Yes, I am. It's just a little under \$69,000.

Mr. Wilson: And you must be comfortable with that.

Since you've been in Canada, have you had any political affiliations?

Ms. Bahl-Khurana: No, I have not.

Mr. Wilson: A clean record, then?

Ms. Bahl-Khurana: Yes, pretty much.

Mr. Gilles Bisson (Timmins-James Bay): In all my years, I've never heard that question.

Mr. Wilson: Peter Kormos used to ask that question all the time, actually. There's a conspiracy under every stone when you're in opposition.

In terms of your understanding of the board, first of all, you expressed some sympathy for people who need assistance. We've had boards in the past that are very small-L liberal in terms of being very sympathetic and we've had other boards that have been very small-C conservative in being pretty tight-fisted in terms of granting people's appeals. Where do you think you fall in the spectrum and how would you place yourself in terms of adjudicating?

Interjection.

Mr. Wilson: No, because we have seen boards—under your government, for example, in the NDP—that were very liberal on social assistance. We had one in 10 Ontarians on social assistance and almost no one lost an appeal. We came in and tried to bring a balance. Do you want to comment on what you think the role is there?

Ms. Bahl-Khurana: I think the role of an adjudicator is to ensure that the appellant before me is legally entitled to social assistance, is deserving and has met all the

qualifications that are set out in the legislation. If this person's application has previously been denied, then it would be up to the adjudicator to look into the background and the details set forth before them to determine, is this person qualified or not? You've got to maintain the integrity of the system. If this person is qualified and something was missed previously, then yes, this person should be granted social assistance. If the person before me is not legally qualified and does not meet all the criteria, then that needs to be explained to the person. You have to maintain the integrity of the system so that somebody else down the road who deserves assistance can get it.

Mr. Wilson: You're required to write your own quasi-judicial decisions, with a bit of help from staff. Have you had any experience with that type of writing?

Ms. Bahl-Khurana: I have had to write all my own reporting in all my roles, so all of my financial reporting, monthly reporting and quarterly reporting. I'm currently with CIBC Wood Gundy, so I did my year-end reporting and analysis myself, and part of it was basically cut-and-pasted and put into the Globe and Mail.

Mr. Wilson: So you're published.

Ms. Bahl-Khurana: Well, it wasn't published under my name.

Mr. Wilson: Many Ontarians have strong views about the level of social assistance and welfare rates currently provided in the province. Do you have any thoughts or biases one way or the other?

Ms. Bahl-Khurana: I do not know enough about it to form an opinion, and as an adjudicator, it wouldn't be my place to form an opinion as to whether or not those rates need to be changed.

The Chair: To the third party. Mr. Bisson.

Mr. Bisson: I want to follow up on those questions. Do you think the system is fair?

Ms. Bahl-Khurana: The system is fair in the sense that people need assistance—

Mr. Bisson: No, my question is about the level of assistance. Do you think it's fair?

Ms. Bahl-Khurana: I do not know the system well enough to make that judgment, I'm afraid.

Mr. Bisson: Do you know people who happen to survive on social assistance?

Ms. Bahl-Khurana: I'm afraid not. Mind you, I have been unemployed for a full year, so I know how hard it is to make ends meet when you don't have income.

Mr. Bisson: Let me give you an example. One of the issues we deal with in our constituency offices, and I'm sure it's the same with others, is this whole issue of food allowances. There is a provision in the welfare act that allows a doctor—if the person needs a special diet for whatever medical reason, the administrator of the welfare system can provide that special diet, which in some cases is as much as a couple of hundred dollars a month. There's been a real clamping down on that, to the detriment of individuals. Do you think that's fair?

Ms. Bahl-Khurana: Personally? No, I don't. I think that people should be provided with basic necessities, as per what they need individually.

Mr. Bisson: You said in your answer to Mr. Wilson—I don't remember exactly how you put it, but it was more or less along the lines that if people are deserving and they meet the rules, then they should get it. What do you mean by that? That kind of intrigued me. What do you mean by "deserving"? That people are deserving of what?

1030

Ms. Bahl-Khurana: There are criteria set out in the legislation as to who can apply for social assistance. If somebody meets that criteria, then yes, they are deserving.

Mr. Bisson: What happens if you have somebody come before you and there's a bit of grey? Because that's normally what goes before you. I want to get a sense of where you're at. It comes back to his point that there are some who tend to be fairly conservative in their approach to awards and others tend to be a little bit more—I wouldn't say "liberal" because I don't like that word, being a New Democrat; anyway, that's for another time—easy in giving the award. Where would you fall? If somebody comes before you and you see that the person is in a tight spot, and the rules are somewhat ambiguous, do you think, "I'm going to save the government some money," or do you think, "This person is in need, so therefore I should take that into consideration"?

Ms. Bahl-Khurana: Personally, I'd probably take that into consideration. However, I haven't got my training yet, so I'm just giving you my personal opinion.

Mr. Bisson: I just warn you, because it struck me. He's right; we win all our appeals. The reason we win our appeals is because the administrators make some bad decisions. Constituency offices or legal clinics or others don't go to the tribunal frivolously; they go because they have somebody who is deserving of something that had not been awarded; an administrator somewhere made a decision. We go there to enforce the rules. I want to make sure that your goal in all of this is not to save the government money but to make sure that the system works well. If somebody is in a situation where they're entitled to something and they're not getting it, I want to have a fairly good sense that we're going to have somebody there who understands that the system is there to provide to people who are less fortunate than us. If that means the government has got to spend money, so be it.

Ms. Bahl-Khurana: Mr. Bisson, just to answer you and to put your concerns at rest, seeing that I've lived on four different continents, I do not accept poverty. I can understand that there will be poverty in a Third World nation, simply because that nation does not have the resources to provide for its people. I definitely do not accept poverty in Canada.

That being said, I understand that there are extenuating circumstances. My personal reason for applying for this is that I've spent the last 11 years of my professional

life working in multi-billion dollar corporations, helping them make more money, and that's not personally satisfying for me anymore. I want to do more; I want to be able to contribute to the community. That means helping people. So yes, if somebody comes before me and is deserving, needs a break, and the rules are a bit ambiguous, I'd probably err on their side.

Mr. Bisson: What do you mean that you "don't accept poverty"? I think I know what you mean, but can you explain it, that in Canada you don't accept poverty?

Ms. Bahl-Khurana: We're a First World nation. We have the resources in our land, in our country. Everybody in this country should be able to provide basic needs to their family. That means food, shelter, education, clothing.

Mr. Bisson: The social assistance system is there for those who are, for whatever reason, without means of earning income or qualifying for EI. My observations over the last 16 years, being a member and working in this field before, is that you can take two people and put them in exactly the same circumstance and they're going to come out differently. You get some tragic news: You lose your job, your child has died, you're separating, whatever it might be. Two individuals with the same background—one person picks up by the bootstraps and moves ahead, moves on with their life; the other person falls apart. It's just the way it is.

You're going to a tribunal that we do a lot of work with. I want to know that you clearly understand that people who are on social assistance are not there, by and large, because they want to be there; they're there because something has happened in their lives that prevents them from dealing with the reality of life and sometimes need a bit of a bridge to get by. So when you say you don't accept poverty, let's understand, people on social assistance are not there because they choose to be poor; they're there because there's some condition in their life: It could be mental illness, it could be alcoholism, it could be family physical abuse, it could be sexual abuse; it could be a whole bunch of reasons why people find themselves there. I just want to make sure that when you say you don't accept poverty, we're talking about the same thing here. We'd love to have everybody rich, but it doesn't happen.

Ms. Bahl-Khurana: No, I'm not saying everybody should be rich, but in the ideal world, everybody should be able to have basic necessities. When I say that I don't accept poverty, what I'm trying to say is that people who come forth and ask for social assistance—that takes a lot of guts. It takes a lot of courage to stand up and say, "Could you please help me?" If somebody has the courage to come in front of me and say, "Could you please help?" then yes, I will do whatever I have to to help. That is why I've applied for this.

Mr. Bisson: I'm going to close on this, just the typical—I've got to meet with somebody on Friday in my constituency office, as we all do. I've got a whack of meetings. But one particular one I'm meeting with is a young woman who, like you, had her life together.

Everything was going wonderful, she had the brass rail, she was moving ahead. Then she got sick. She falls between having to apply for ODSP—which we all know is going to be denied, because that's what they do; they deny everybody who applies to ODSP. We're going to have to go to a hearing to win her ODSP, which is going to take eight to 12 months to happen. This woman basically has to live off her family to survive, because all the welfare system gives her is \$200 a month. She's saying to me, "I don't want to be here. What the hell's going on? All I know is that I'm sick, I have to travel to Ottawa every week or two for illness"—she has a particular type of cancer, and her whole life has fallen apart. She just can't deal with it.

Those are the people we deal with, often. It's very frustrating to have to look those constituents square in the eye, as we all do, and they say to us, "Why is the system so unfair?" Just keep that in mind when you go to the board. That's all I ask. And when I bring that hearing before you, I look forward to talking to you. We'll see you at the tribunal.

Ms. Bahl-Khurana: I'll look forward to that.

Mr. Wilson: Hey, that's undue influence.

Mr. Bisson: Damned right it is. I'm there for my constituents, as you are, sir.

The Chair: Mr. Bisson, thank you very much. To the government side.

Mr. Parsons: This is unusual. I suspect that at the discretion of the Chair—we'd like to use our time to ask Jim a few questions.

The Chair: You have 10 minutes.

Mr. Parsons: We have no questions. Thank you.

The Chair: Are you guys good? Okay. Thank you very much.

Ms. Bahl-Khurana, thank you very much for your presentation and your responses to questions. You're welcome to stick around. We're now going to proceed with our concurrence votes. You'll see democracy in action and see how much you've impressed the committee members.

Ms. Bahl-Khurana: All right; that would be great. Thank you.

The Chair: Folks, we'll now move to concurrence votes, and then we'll move to the other items on the agenda. We will do them in the order in which they appeared.

Our first concurrence vote is for William Rupert, the intended appointee as member of the Ontario Energy Board. I need a concurrence motion.

Mr. Parsons: I move concurrence.

The Chair: Mr. Parsons moves concurrence. Is there any debate on Mr. Rupert's intended appointment? Seeing none, I'll put the question. All in favour? Any opposed? Mr. Rupert, congratulations and best wishes at the Ontario Energy Board.

We will now consider the intended appointment of Kunjana Bahl-Khurana, intended appointee as member of the Social Benefits Tribunal.

Mr. Parsons: Again I move concurrence.

The Chair: Mr. Parsons moves concurrence. Is there any discussion or debate? Seeing none, all those in favour? Opposed, if any? It is carried unanimously.

Ms. Bahl-Khurana, congratulations on your appointment and best wishes on the Social Benefits Tribunal.

Thank you both for sticking around. That's the first time we've had everyone, 100%, stay for the votes. We thank you.

COMMITTEE BUSINESS

The Chair: We will now revert to item number 3 on our agenda, which is the agency selections. All members had been notified that we would ask each of the three parties to submit their preferred agencies. We will move to that at this time. This is the first time this has happened in about 10 years or so, so we're flying without a road map. I will begin, continuing the rotation, this time with the third party.

Mr. Bisson: The Ontario Power Authority.

The Chair: Do you have a second one you want to do now? Or you can do the second one later.

Mr. Bisson: We'll do them in rotation.

The Chair: All right. It's like a football draft. The Ontario Power Authority is the first draft choice.

To the government side.

Mr. Parsons: I need to know what card Laurie has. The Liquor Control Board of Ontario.

The Chair: The LCBO.

Mr. Bisson: I move that we go visit.

Mr. Parsons: The warehouse, at night.

The Chair: The official opposition?

1040

Ms. Laurie Scott (Haliburton–Victoria–Brock): The Ontario Lottery and Gaming Corp.

The Chair: OLGC, the Ontario Lottery and Gaming Corp.

These are the first preferences of each of the parties, so they'll be the first three we do.

Mr. Parsons: A question, Chair: Is it the wish of the committee that we each select two at this stage? Because the second round of agencies that we review will be six months, eight months from now. Do we want to do both now, or do we want to do one each and then—

The Chair: My preference, in terms of our organization and getting out the questionnaires and such, is to nominate them at this point in time.

Mr. Parsons: That's fine.

Mr. Bisson: When doing our picks, I wasn't thinking about what order; I was just giving you my two. We may want to do it the other way around, if that's fine.

Mr. Parsons: That's fine.

Mr. Bisson: Let's agree on who it is and then we'll let you know in the House which we want to go first, and then away we go.

The Chair: Fair enough. You let me know today, and then I'll communicate it to the clerk.

Mr. Bisson: I'll let you know today. I just want to check with our people.

The Chair: Your other option, Mr. Bisson?

Mr. Bisson: I am looking forward to reviewing the Electrical Safety Authority with great anticipation. You can pass that on to the people at the ESA. They'll know what I mean. Send them the Hansard.

The Chair: Thank you, Mr. Bisson. Government members?

Mr. Parsons: The Health Professions Appeal and Review Board.

The Chair: Boy, these are solid draft choices here today. It will be very interesting.

Mr. Parsons: We wanted the PC caucus service bureau, but there was a technical problem there.

The Chair: We'd have questions ourselves, probably. The official opposition?

Ms. Scott: The Workers' Safety and Insurance Board.

The Chair: The WSIB. Very good.

I will repeat the committee's six choices: the Ontario Power Authority, the LCBO, the Ontario Lottery and Gaming Corp., the Electrical Safety Authority, the Health Professions Appeal and Review Board, and the WSIB, Workplace Safety and Insurance Board.

I would ask each of the members of the subcommittee to identify their first preference today, and I'll let the clerk know.

Secondly, there is a draft questionnaire that has been constructed by the clerk and research. Again, this is the first time this has happened in 10 years. It's based on what appears to have been the tradition at that point in time. This is a draft. I'd like all members to take the time to review the questionnaire, and if you could make submissions back to the clerk in time for our next regular meeting—I will get to that momentarily. Then, of course, this questionnaire will be sent out well in advance to the nominees so they have time to fill it out.

Mr. Bisson: Hold it a sec. Hang on. Am I reading this right? The first question I have to answer is, "Under what authority (i.e. statute, order in council or letters patent) was the agency established?" You want me to answer that? Come on. Is this a test?

The Chair: No, no. I'm sorry. Maybe I wasn't clear. The intention is that this questionnaire—again, this is a draft—would be sent to the agencies being requested to come forward.

Mr. Bisson: Any other questions we want to put on.

The Chair: Yes. This is a draft. It has been about a decade since this was done, so we won't have it perfect the first time around, despite the excellent quality of the individuals working on it. This is to be sent out a couple of months in advance—that's what we're aiming for—to the agencies, and then the responses would be supplied to the members to help give informed discussion during the review.

Mr. Bisson: I was worried that I was going to have to bone up on my—

The Chair: If you see questions that you think are missing, if you see questions that are unhelpful, if you see a better way of phrasing questions to get at certain points, please give that feedback to Tonia in advance of

our next committee meeting. Then we will go through that and perfect the questionnaire.

Any other questions or points on the draft questionnaire? Great. Thank you to the clerk, her office and the research office for the hard work on this.

Speaking about the next regular meeting, the meeting normally scheduled for May 17 only has one individual currently scheduled to attend. As Chair, what I customarily do here is say that—

Mr. Parsons: I'm going to ask, if at all possible, could we proceed with that? Extending that individual presents problems to—

The Chair: Steve Mahoney, an intended appointee to the WSIB, which I think is a call of the third party.

Mr. Bisson: We'd be very happy moving it over to another day.

Mr. Parsons: It is a problem for the WSIB.

The Chair: Because they're short-handed or something?

Mr. Parsons: The problem is constit week the following week.

The Chair: You're right; it would be two weeks hence. You're saying they have a strong preference to proceed.

Mr. Parsons: Yes, if we could proceed, even if it's just for half an hour.

Mr. Bisson: Well, when we have a subcommittee meeting, we'll vote at the subcommittee. We'll decide. This is a subcommittee matter; this is perfectly in the purview of the subcommittee. We'll decide it there.

The Chair: Folks, this is the call of the Chair. It's a normally scheduled meeting. I appreciate the WSIB's concerns, so we'll proceed on the 17th as scheduled, for Mr. Mahoney's interview. If there are others that come up, we can slot them in. It will be a shorter meeting.

Mr. Bisson: Why don't we extend the amount of time we have with Mr. Mahoney? I move that we extend the amount of time that we have to ask questions of Mr. Mahoney. That's a motion, Chair.

The Chair: Are you putting it as a motion?

Mr. Bisson: I'm putting it as a motion, that we extend the amount of time to one hour for the scheduled appointment of Mr. Mahoney.

Mr. Parsons: I think that would be a most unusual precedent.

The Chair: We do tend to follow a pretty strict process: a half-hour.

Mr. Bisson: Put the motion nonetheless, Chair.

The Chair: Okay, Mr. Bisson, fair enough. You've put a motion on the floor. Is there any discussion on Mr. Bisson's motion? Mr. Bisson, do you want to discuss your motion?

Mr. Bisson: I just think it's such an important appointment. The WSIB, as we all know, relates to much of the work we do in our offices in terms of representing constituents. There are many injured workers out there, either by way of disease or accident, who feel they are getting short shrift, and I would like the time to ask Mr.

Mahoney a number of questions in regard to his intentions on the board.

The Chair: Mr. Bisson has a motion on the floor to extend the time for Mr. Mahoney's interview to one hour on May 17. Any other comments or questions on the debate?

Mr. Parsons: Mr. Chair, every appointment is an important appointment. We have established a process that provides equity for all the individuals. As we heard this morning, this is a somewhat stressful occasion for some of the applicants—

Mr. Bisson: Stressful? They're excited. All the people getting appointed get excited. They're not stressed—especially Mr. Mahoney.

Mr. Parsons: Call the question.

Mr. Bisson: Two pensions and a WSIB job? Wow.

The Chair: Mr. Parsons has the floor.

Mr. Parsons: I can't say what I want to say, because it would be rude. We're comfortable waiting for the question.

The Chair: Any other debate on this? Mr. Bisson has moved that Mr. Mahoney's time be extended to one hour.

Mr. Bisson: Recorded vote.

Ayes

Bisson.

Nays

Gravelle, Hoy, Parsons, Scott, Smith, Zimmer.

The Chair: It is defeated. So we are going to proceed on May 17th, 10 a.m., with Mr. Mahoney's appointment. If there are other intended appointees who happen to get slotted in, we'll extend that; otherwise, it will be a shorter meeting of this committee.

Because we're meeting on the 17th, I am going to require members to give their feedback on the questionnaire before the 17th. I'd like to have this finalized so we can get the questionnaire out to the agencies well ahead of time. They may not know that they have won the lottery, so it might catch them off guard.

Is there any other business to discuss?

Mr. Bisson: It's good to be here with you this morning.

The Chair: Thank you for saying that. All those in favour? There we go; fantastic.

I think that concludes it. We will now adjourn and reconvene on May 17th at 10 a.m. Thank you, folks.

The committee adjourned at 1048.

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Official Report of Debates (Hansard)

Wednesday 17 May 2006

Journal des débats (Hansard)

Mercredi 17 mai 2006

**Standing committee on
government agencies**

Intended appointments

**Comité permanent des
organismes gouvernementaux**

Nominations prévues



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STANDING COMMITTEE ON
GOVERNMENT AGENCIESCOMITÉ PERMANENT DES
ORGANISMES GOUVERNEMENTAUX

Wednesday 17 May 2006

Mercredi 17 mai 2006

The committee met at 1104 in room 151.

SUBCOMMITTEE REPORT

The Chair (Mr. Tim Hudak): Good morning, folks. The standing committee on government agencies is called to order for Wednesday, May 17, 2006. A pretty straightforward agenda today. We will move with one report of the subcommittee on committee business, dated May 11, 2006.

Mr. Ernie Parsons (Prince Edward–Hastings): I would move adoption.

The Chair: Mr. Parsons moves its adoption. Is there any discussion on that?

Mr. Gilles Bisson (Timmins–James Bay): Which report is that?

The Chair: This is the subcommittee on committee business dated May 11, 2006. It should be in the—

Mr. Bisson: Yes, that's fine.

The Chair: You're good? Any other discussion or comment on the subcommittee report? Seeing none, I'll put the question. All those in favour? Opposed? It is carried.

I'm going to move other business to after our appointment review so we can move in a timely fashion. If members have any other other business, please hold on until after we're done with our interviews.

INTENDED APPOINTMENTS

STEVEN MAHONEY

Review of intended appointment, selected by third party: Steven Mahoney, intended appointee as chair, Workplace Safety and Insurance Board.

The Chair: Today our first and only interview is with Steven William Mahoney. Mr. Mahoney, please come forward. Make yourself comfortable there at the chair. Grab a beverage of your choice.

I do want to say to the members—I forgot this last week—while I'm not allowed to say the brand name, the coffee quality has improved substantially. You may test it out and recognize it.

Mr. Parsons: We thank you for that.

The Chair: You should thank the clerk and her team for doing so. The Chair had nothing to do with it, although he's happy to hear the news.

Mr. Mahoney, you're welcome to have one of our new coffees.

Mr. John Milloy (Kitchener Centre): You still brought your own coffee.

The Chair: I did. I forgot.

Mr. Mahoney, the intended appointee as chair, Workplace Safety and Insurance Board, is well known to members of the committee. Mr. Mahoney, you've seen how this committee works, but for the sake of refreshing, you're welcome to make some opening comments about your interest in this position and your background. Then we'll have questions from members of all three parties. We commence questioning today with the third party, Monsieur Bisson.

Mr. Mahoney, welcome. The floor is yours, sir.

Mr. Steven Mahoney: Thank you, Mr. Chairman. I appreciate the opportunity, members of committee, to appear before you. I do have what I think is a fairly short opening statement and look forward to answering your questions.

First of all, I want to say that I'm very honoured to be selected as the nominee for the chair of the WSIB. I'm frankly very hopeful that you will concur with this nomination and that I can begin work as soon as possible.

As some of you may know, my family is steeped in the history of organized labour, primarily through the life work of my late father, Bill Mahoney. I can recall many discussions about issues concerning the labour movement, and not the least of these were discussions about health and safety. As one of 10 children, our house was a little bit like a union local in itself, and frankly, I was generally the shop steward, and the boss was not easy to get along with.

Having experienced the world of labour politics throughout Ontario and indeed Canada for many years, I naturally developed a keen interest in public service. I was elected to municipal council in Mississauga in 1978. In serving just under 10 years on Mississauga and Peel regional councils, I was elected by my peers on those councils to chair some pretty important committees: the administration and finance committee at the region, the planning committee at the city, and the public vehicle authority at the city—all three of those for a straight seven years.

All of us who serve in public office are what I call walking, talking dispute settlement mechanisms. Having recently obtained a certificate of achievement in ADR

from the faculty of law at the University of Windsor, I came to realize during that course that much of my career has been spent resolving disputes.

As one example, I was the chief negotiator responsible for the first-ever collective bargaining agreement for ILODA, which was the independent limousine operator and driver association at Pearson International Airport. If any of you have had any experience with that particular group, you'll know what a challenge it could be to try to get a CBA agreement ratified with them and with the owners and having Transport Canada involved. But I was successful in doing that. My role was to work with all the stakeholders to resolve several disputes.

In addition, there were disputes every day that required solutions, compromises and tough decisions. All of you on this committee, I would argue, do the same thing every day

1110

In 1987, I was privileged to be elected as the member of provincial Parliament for Mississauga West, where I served for eight years. I had many different roles: I served for a time as the Chair of the standing committee on finance and economic affairs; I was parliamentary assistant to the MITT, who in those days was the Minister of Industry, Trade and Technology; I was also the small business advocate for the province for a time; and I was Vice-Chair of the select committee on education.

Once again, these roles gave me the opportunity to learn about government budgeting, public finance and small business struggles, and the ever-increasing importance of education. All of these experiences, in my view, can be directly applied to the task at hand at the WSIB.

In 1990, while returning to the Legislature in opposition to the New Democratic government, I was appointed as chief whip for the Liberal caucus and later as labour critic. Being in the whip's job once again required me to settle disputes on an ongoing basis, albeit with a room full of A-type personalities. However, perhaps the most interesting and fulfilling work that I did while here at Queen's Park was in my role as labour critic. Having read some of the comments that I made in Hansard, it is clear that I was aggressive and some might even say nasty in that job, but we all bring our own style to this place and, frankly, I fully respect that.

However, instead of just complaining and firing accusations across the floor, I and a small group of research staff set off to study was then the WCB. We travelled west from Ontario to learn from other Canadian jurisdictions, to seek out best practices. We also conducted a Straight Fax campaign throughout eastern Canada, since funds were somewhat limited.

The result of this outreach tour was a report filed in April 1994 called *Back to the Future*. To be clear, in the forward I stated that this report "does not represent party policy, but rather is a series of recommendations for discussion as we build toward our final positions on WCB reform."

In 1995 I lost the election. I simply moved on and started my own business, Mahoney International. My son Matthew and I have developed an expertise around municipal issues in Canada, particularly waste diversion and composting, and also work to advise and strategize with several clients about their products, services or relationships.

In 1997, I returned to public service by winning the seat as the member of Parliament in Ottawa for Mississauga West. In that role, I was elected as chair of the Ontario caucus, served as Vice-Chair of the citizenship and immigration committee and was named as parliamentary assistant to then-Deputy Prime Minister John Manley. My job here was to oversee several crown corporations. After doing this job as parliamentary secretary for over a year, the Prime Minister named me to cabinet as Secretary of State for said select crown corporations. These included Canada Mortgage and Housing Corp., Canada Post, the Royal Canadian Mint, the Old Port of Montreal, Canada Lands and Queen's Quay here in Toronto.

Five of these companies had formal boards in place, with part-time chairs administering and working with the administration and presidents of these crown corporations. Most of my work as Minister of Housing was with CMHC. I was directly responsible for over \$2 billion in federal funds to be matched by the provinces. We were very successful across Canada in signing agreements in every province and territory, but perhaps our biggest challenge was here in Ontario, where there was such a serious problem to be dealt with. However, once again, balancing the needs of the different regions and the stakeholders was a constant work in progress.

I strongly believe that all of these experiences and my general knowledge and understanding of the WSIB will help me to perform in the chair of this very important organization. Justice Meredith, almost 100 years ago, said that the purpose of workers' compensation was so that "injured workers and their dependants could receive the benefits of speedy justice, humanely administered." I want to assure you, Mr. Chairman and all members of this committee, that I'm totally committed to those principles as they were espoused by Justice Meredith when he founded WCB.

I would be pleased to try to answer any of your questions.

The Chair: Mr. Mahoney, thank you very much for your opening comments and presentation. To the third party, questions: Mr. Bisson.

Mr. Bisson: How much time do I have?

The Chair: Ten minutes, sir.

Mr. Bisson: Give me a bit of a warning before we get to the end.

The Chair: Absolutely.

Mr. Bisson: Welcome to our committee. It's always good to see you again, Steve. I had the opportunity to serve with you in one term or two; I don't quite remember.

I've got a number of questions, and the problem I have is that I don't have enough time to go through them all. You mentioned in your opening comments your Back to the Future report, which I remember quite well. I also remember a number of the positions you took in the Legislature. Being that you're applying for what is the Workers' Compensation Board position, which is basically going to affect injured workers and employers across the province, I want to ask you some questions in regard to your direction.

One of the things you've said both in the Legislature and in your report is that you were of the view that there should be no compensation for soft tissue injuries—or for stress, I should say. Where are you on that now?

Mr. Mahoney: It's instructive, I think, to note that that hasn't changed at the board. This report was put out 12 years ago, and we recommended against including stress at that time. Since then, it has yet to find its way into the realm of compensation issues.

I would say, though, in fairness, that if there is new information that's available at the board, I'm not particularly married to anything. I believe that the most important aspect of the chair of the WSIB will be to deal with the balance that's required to ensure that injured workers are treated fairly and responsibly and that our corporate citizens, who pay and fund the WSIB, remain competitive in the workplace. I think there's a balance that needs to be looked at. I'll be interested to see how the board feels about that issue as well.

Mr. Bisson: My short question is on the issue of stress, which is, as we know—we can go through the whole debate. I don't want to do that; I've only got 10 minutes. What you are now saying is that you divorce yourself from what was in this report, that it shouldn't be compensable.

Mr. Mahoney: No, I didn't say that at all. My position stands at the present time. I have said and do say that if there's new information that comes forward, I will have an open mind on it, but I still support my Back to the Future report.

Mr. Bisson: In regard to the whole issue of rates and what it means to employers, you know that there have been a number of increases. There's been a fairly significant increase to WSIB assessments to employers. In my constituency—it's probably the same as everybody else's—I've been contacted by all kinds of people within industry with regard to how they see the rates as being excessive.

You took quite an interesting position in your report. You wanted to basically hold down costs but not raise rates. I'm wondering, is that still your position on rates?

Mr. Mahoney: Once again, this report was a document for discussion purposes. It is 12 years ago—

Mr. Bisson: My short question is, would you say, "No, I'm not going to raise rates"? Is that where you're at now?

Mr. Mahoney: The first rate increase in, I think, approximately 10 years occurred in 2006. It was 3%. The board has adopted a five-year strategic plan around fiscal

responsibility that deals with the unfunded liability, rate structures, all of that. If I am confirmed as the chair, I would certainly want to go through that five-year strategic plan, but I'm not prepared to say at this stage that I would support a rate increase. I think I have to go in and do a lot of homework, see where the justification for the board's position has been, bearing in mind the need to service injured workers and to maintain a balance for industry.

Mr. Bisson: I'd just raise very quickly the other issue, that of classification. A lot of employers that I've talked to have been classified differently than they were in the past, which has led to an increase in the overall assessment. The board seems to be taking a pretty hard-line position to raise as much revenue as they can. One of the ways of doing that is the change of classification. Your view on that?

Mr. Mahoney: Let me tell you one of the first things, if I am confirmed in this very important position, that I intend to do: to travel the province and to meet with the stakeholders, and to find out directly, face to face, what their concerns are. I intend to meet not only with associations that represent classifications, but I intend to meet with individual businesses, injured workers, unions and every stakeholder that I can talk to and listen to, before I make any kind of determination on those issues.

Mr. Bisson: On page 8 of your report you say, "Throughout the deliberations of the WCB outreach tour, it was a widely held view that the composition of the existing board" should be non-partisan in nature. You're partisan. I'm partisan. We're both identified, in your case as a Liberal, and I'm a New Democrat. Is it your view that this should still apply?

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Mr. Mahoney: Absolutely. I intend to be fully non-partisan. I have not been in elected office for over two years and I think it's extremely important that the chair of the WSIB be non-partisan, and I will cease any partisan activities if I am given the opportunity to do this work.

Mr. Bisson: Do you see yourself as answering to the minister?

Mr. Mahoney: No. I believe the chair and the board need to work together to form a consensus on issues. I would certainly have an open dialogue with the minister, but this is an independent chair's position and, frankly, I will treat it as such.

Mr. Bisson: In your 1994 report, you also praised the work of former WCB Alberta CEO, John Cowell. You remember, he got himself a big, whopping amount of money as a severance package on the way out the door—almost \$600,000. You know that's a bit of an issue these days with Hydro. Your view on that? Do you plan on giving yourself a raise at the board?

Mr. Mahoney: I have no view on that. My compensation is laid out. I think you have the data in front of you. It's a per diem. It's a part-time position. I describe it as a part-time position with a full-time commitment, frankly, because it's such a big job.

If you're running out of time, I'll let you go on with your next question.

Mr. Bisson: Thank you. I've got two more questions I'd like to get to.

Page 9—I love this one—again out of your report, WCB Outreach Tour: “The president and chief executive officer must possess a formal university degree in actuarial sciences from an accredited institution”—do you have that?

Mr. Mahoney: No, I don't.

Mr. Bisson: —“combined with five to 10 years of experience in administering a large insurance company.” Do you have that?

Mr. Mahoney: I think this refers to the president and the chief executive officer, not—

Mr. Bisson: But I'm asking, do you have that?

Mr. Mahoney: No.

Mr. Bisson: Okay. I'm just checking. All right. Do you think you should have those things?

Mr. Mahoney: I think that my qualifications on the ground of dealing with these kinds of issues at all three levels of government—26 years' experience in government dealing with issues that are very similar; in Ottawa, as a federal—

Mr. Bisson: Would you agree with me that was kind of a dumb thing?

Mr. Mahoney: What was kind of a dumb thing?

Mr. Bisson: What was on page 9 of that report.

Mr. Mahoney: For the president and chief executive officer? No, I don't agree that that was a dumb thing.

Mr. Bisson: That's all I wanted.

The other thing I want to ask you is, do you get a pension from here?

Mr. Mahoney: I don't believe so, no.

Mr. Bisson: Provincially—no more?

Mr. Mahoney: Oh, provincially, my pension was bought out.

Mr. Bisson: Federally?

Mr. Mahoney: Federally, I do get a pension. It's about \$29,000 gross per year. I have committed that I will donate the net proceeds of that pension to recognized charities if I am confirmed in this position.

Mr. Bisson: Thank you very much.

The Chair: You have 45 seconds to spare, Monsieur Bisson.

Mr. Bisson: By the time I would have gotten into it, you would have cut me off. I know how you operate, Chair.

The Chair: Thank you, sir.

Mr. Mahoney's presentation was about eight and a half minutes long, so the government side has about a minute and a half.

Mr. Mahoney: A new question.

The Chair: Yes.

Mr. Mahoney: All right; I didn't know it was that long.

Mr. Parsons: I think the public often wonders how appointees are selected for nomination in this process, particularly where one has a political background. I wonder if you could run through for the committee and

those watching the process that you followed to get this nomination.

Mr. Mahoney: Thanks very much for the question. I was actually contacted by a number of stakeholders, on both the business side and the labour side last October or November and asked if I would be interested and willing to have my name stand for the position of chair of the WSIB if they collectively were to put it forward. I said I would be. Subsequent to that, there was an advertisement placed in the *Globe and Mail*, which I was informed of. I sought it out. I went online and got to the appointments secretariat and got the documentation. No longer having a building of staff working for me, I've become a wiz at the computer and I was able to download this information, fill it out, and submit the application.

I was then e-mailed that I had an appointment for an interview—I think it was early December—and would I be available. I said I was. I went through the interview. There were four people. There was the former deputy of the Ministry of Labour; the head of the appointments secretariat; Jill Hutcheon, the president; and the executive assistant to the minister, who interviewed me for well over an hour. I understand they interviewed 11 people and that I was selected out of that group to be the nominee.

Mr. Parsons: Time's up?

The Chair: You have about 30 seconds.

Mr. Milloy: Mr. Mahoney, you obviously have a tremendous amount of background and interest in a variety of areas. You talk about why you're qualified for this job. To turn your presentation around, why this job, as opposed to any other? What's the interest? I know you have eight seconds to tell me.

Mr. Mahoney: I've really always maintained a strong interest in the labour movement in general. I have very strong relationships with many members—the Teamsters, members of the building trades and all of the different unions—and we have an ongoing relationship. I think this is a critical issue for the province of Ontario, for injured workers and for business. It's serious public policy and I am, frankly, very excited about the opportunity to roll up my sleeves and get to work.

The Chair: The official opposition. Ms. Scott.

Ms. Laurie Scott (Haliburton–Victoria–Brock): Thank you very much, Mr. Mahoney, for coming in today and thank you for all your years of dedicated public service. You have a lengthy record and I think a very good background to fill this job as chair.

You just mentioned that this is serious policy in the province of Ontario. After being elected just two and a half years, I certainly have had a lot of interaction with WSIB claims that have come in to the office and I've heard tales from constituents. You have been elected to office many years, at different levels of government, and I'm sure you have heard these also. You mentioned Justice Meredith in your opening comments about getting speedy justice. Do you see any specific ways or means that we can speed the process up?

Mr. Mahoney: It's an interesting question. In my time in this place, I had a full-time staff person who did nothing but WCB claims. The analogous position federally, by the way, is immigration. If you're a federal MP, you have a full-time staff person dealing with immigration, so there are some similarities in the workload.

Eighty per cent of the claims that come in to WSIB are dealt with in the first two weeks and I think that's impressive. Working toward increasing that percentage, to make it a greater number, to have it dealt with in as short a period of time as possible, would be one way of doing it.

I also think communication is key. Jill Hutcheon has worn both hats for the last two years, as president and chair. It was an enormous job for her to undertake and, by all accounts, she did a great job in both positions. But I think that the chair needs to be able to get out and talk to the stakeholders about what their concerns are and get advice from them as to how we can eliminate some of the bumps in the road that lead toward rehabilitation, that lead toward return to work.

But the number one job of the WSIB, and I believe of the new chair of the WSIB, is accident prevention in the first place. We lose 100 people a year to fatalities in the workplace. In a province like Ontario, in a country like Canada, I just find that so unacceptable, that people are actually dying in the workplace. I think there's a lot to be done in that area.

The button that I'm wearing today, called "Think Again," is the new program that is reaching out to young people and young workers, saying, "If you think it can't happen to you, think again, because it can." We've had young people killed in the workplace, people in the construction industry and in every segment of industrial life in this province. We shouldn't be losing people to workplace fatalities, and certainly we have to cut down on injuries.

I'm sorry to be so long.

Ms. Scott: That's your background; what can we say?

Mr. Mahoney: Being long?

Ms. Scott: A political background and being involved in politics a long time. That's what happens. You learn to speak in details.

I'll shorten my question. The labour market re-entry program: They did an audit in 2004. I don't know if you are familiar with it, but basically, the employee groups doubted the validity of the assessment process and were skeptical of the quality and motives of the service providers. The employer groups expressed a desire for greater involvement in the assessment process and greater accountability of the service providers. I know you've mentioned a bit of this, but do you have any opinion on the success of the labour market re-entry program and maybe some ideas on how we can improve it?

Mr. Mahoney: I don't have an opinion on the success yet but I would, hopefully, if I'm confirmed in this position, be able to give you one in subsequent weeks. But I

would say that service providers that are so key to rehabilitation and return to work are really medical. I particularly believe that it's crucial that we continue to use the various medical operations or people who are available to us—chiropractors, for example. It was one of my recommendations that chiropractors be used. In fact, in my report I recommended that they actually have a seat on the board. I think they can do a great deal of work toward rehabilitation and return to work.

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As far as the employers and the unions having greater say in these things, I believe both should; they should be at the table. I intend to take the board to meet outside of the city of Toronto. I used to say when I was here that this is not the province of Toronto. With the greatest respect to this wonderful city, it's the province of Ontario. I want our board to meet in all of the various locations—in Thunder Bay, Sault Ste. Marie, Windsor, London or wherever—so that we can meet and listen to the people on the ground through board tours.

Mr. Bisson: Timmins too?

Mr. Mahoney: Timmins, absolutely.

Ms. Scott: No question, I agree with prevention and education. Since the Liberal government delisted chiropractic services, I think that's part of our prevention mode that we should carry on with.

Back to numerous criticisms for treatment of occupational diseases, I can go through the Cancer Care Ontario reports also, and I know that Andrea Horwath has introduced a bill in regard to firefighters contracting certain diseases. Do you have an opinion on the WSIB's treatment and compensation of occupational diseases?

Mr. Mahoney: I think it's an all-encompassing plan that certainly recognizes the serious illnesses that occur in the workplace, whether it's due to handling WHMIS products and not having the labels read properly—this could be a big impact, by the way, for young workers who come on the job and don't know the various symbols that they're required to know under WHMIS. Training and education of the worker needs to be improved.

But really, whether it's occupational diseases or whether it's an injury, we also need to ensure that the workers and the employers work together to create safe and healthy workplaces. In the time I spent as a small business advocate, I toured all over the province, and in every single case you would find the happiest workforce working in a plant, a business or an operation where health and safety were top of mind. I really think that that's the emphasis I want to bring to the job, if I am confirmed as the chair.

Ms. Scott: You mentioned working with businesses before. The Canadian Federation of Independent Business has stated that small construction firms would be threatened by the proposed changes. Do you have any comment about whether construction workers should be covered by the WSIB?

Mr. Mahoney: I want to say to the CFIB and to anybody else that the alternative is unacceptable. The

alternative that just because they work in the construction industry they shouldn't have coverage—to me, that's just a non-starter; I don't accept that. If they're sick or they're ill as a result of a workplace incident, then that's what the WSIB is there to help with, and I think that's what it should do.

Ms. Scott: My last question, I guess, is, if during your term as chair of the board, the mayor of Mississauga position becomes vacant, will you give your assurance that you will not leave this position to pursue that one? It's a fun question.

Mr. Mahoney: We have a young and vigorous mayor in Mississauga, who I'm sure will outlive all of us.

The Chair: Mr. Mahoney, thank you very much for your presentation and response to the members' questions, and welcome back to the room. You're welcome to stick around for the dramatic concurrence vote about to take place.

Mr. Mahoney: Thank you very much, Mr. Chairman.

The Chair: You are welcome. Thanks for taking the time. Folks, I'm going to move to the concurrence votes and then back to other business. As part of the debate, we'll put the motion for concurrence, Mr. Bisson, and then we'll have a debate on Mr. Mahoney's intended appointment. I will need a concurrence vote. We will move in the order by which the delegations appeared before us today, beginning with Steven William Mahoney, intended appointee as chair of the Workplace Safety and Insurance Board.

Mr. Parsons: I move concurrence.

The Chair: Mr. Parsons moves its concurrence. Is there any discussion?

Mr. Bisson: For ourselves, part of the problem we have on this committee is that we get 30 minutes to ask somebody a number of questions which may be quite significant. I would ask for some assistance from the government side, maybe, that we have a little bit more time with him, because there are a few things that I'd like to ask him. Specifically, I wanted to go to industrial disease side. I didn't have the time; there was only 45 seconds left. I wonder if there's any willingness on the part of the government to give us a little bit of extra time, considering that this is a fairly serious appointment. We all know; we deal with workers' compensation in our offices. It's fairly significant to make sure, in my opinion, that we have an opportunity to talk to Mr. Mahoney just a little bit more on a few other issues.

The Chair: We did have a motion on the floor at our last meeting to have a one-hour meeting. It was defeated.

Mr. Bisson: I thought maybe they would just want to consider redoing this again.

The Chair: Is there any response from the government side?

Mr. Parsons: We strive to be consistent and—

Mr. Bisson: Listen, I can hold him up for two weeks if you want or we can have him here. I'm asking politely if we want to do it today. Let him come back before the committee and answer a couple of questions, otherwise I just may very well hold him over till the next meeting.

There's a few other things that I want to put on the record that need to be done. I'm asking if you'd be willing to do that today.

The Chair: Maybe, Mr. Bisson, you could be more specific in what you'd like to see. You're asking for five minutes, 10 minutes? What are you asking for?

Mr. Bisson: If I could get another 10 minutes, the same rotation that we just had now, we could probably get through what we've got to get through. I don't know if the government wants to take their time. It's up to them.

The Chair: Are you suggestion 10 minutes per party?

Mr. Bisson: Yes, the same thing that we did this morning.

The Chair: I sense that there might not be unanimous consent, so why don't we do this in the form of a motion. Mr. Bisson, why don't you go ahead and move the motion.

Mr. Bisson: I would ask that we allow Mr. Mahoney to come back before the committee for another rotation in order to ask him some other questions that are relevant to his appointment.

The Chair: And you mean immediately?

Mr. Bisson: Yes.

The Chair: Is there any discussion?

Mr. Parsons: Does the official opposition need more time?

Ms. Scott: I personally don't need any more time. No, I don't think that the opposition party needs more time.

The Chair: Any further discussion? There's—

Ms. Scott: I mean, if you choose to, I'm not opposed. But I don't have any more questions for Mr. Mahoney.

Mr. Parsons: Well, we've been painted kind of into a corner with the implication that if we don't agree with it, then we defer it for two weeks. This is an extremely important role that I think everybody, all parties—not just the government but all parties—agree needs to be filled. If we want to play the game, "Either 10 more minutes or I'll stall it for two weeks," then fine, 10 more minutes, because we want this nomination to move forward.

Mr. Bisson: That's fine, that's good.

Mr. Parsons: I don't like the style, but we accept it.

Mr. Bisson: Listen, I have the right as a member, and you're acknowledging that I can use that right.

Mr. Parsons: Yes.

Mr. Bisson: You're saying you'll accommodate me. I say, thank you. It's a simple as that.

The Chair: We'll make sure we're in order here. Monsieur Bisson has moved that each party have 10 minutes in addition immediately of Mr. Mahoney, in anticipation of a vote, retaking his seat. You're welcome to try the coffee, by the way, as I said earlier.

I will remind members too, we'll follow the usual procedure of rotation if this motion passes. Members can choose to use the full 10 minutes or not of their time.

Monsieur Bisson has moved that each party have 10 more minutes each to ask further questions of the

intended appointee. All those in favour? Any opposed? It is carried.

Mr. Bisson: Wow, thank you. I won a vote.

The Chair: Mr. Mahoney.

Mr. Mahoney: It's nice to be back with you, Mr. Chairman.

Mr. Bisson: Remember how tough that was in opposition, Steve?

Ms. Mahoney: Yes, I sure do. You guys were tough.

The Chair: It's the luck of the Irish, I guess.

Welcome back, Mr. Mahoney, to the standing committee. You may have had experience recently in how this committee operates. We follow a rotation mechanism where each party is allowed up to 10 minutes to ask questions of the intended appointee. We will follow the rotation pattern that we've had, meaning any questions begin with the third party.

Mr. Bisson: I've got a couple of specific things that I want to get into around industrial diseases. That's why I wanted you back here. I didn't have enough time in the first 10 minutes.

You remember the use of the—actually it was your government, the David Peterson government, that put in place the Industrial Disease Standards Panel, which was quite useful in doing the work that needed to be done to deal with some of the very complex issues around industrial diseases: lung cancer amongst gold miners, esophageal cancers etc. Your views on that? Is that something that you favour as a means of being able to do the work that has to be done in order to try to figure out what we need to do at the board to deal with industrial diseases?

Mr. Mahoney: The one thing I would frankly commit to is that I'd be very prepared to have a discussion at the board about how we get the proper kind of advice, which I think was the critical issue of the time. I've looked over the qualifications of all the board members, and I suspect that they would want to make sure that they had expert advice and that we were getting it in a way that we were comfortable with where it was coming from. I'm fully prepared to take a look at that.

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Mr. Bisson: Again, just to go a little bit further into this—it may be because of the riding that I represent, dealing with mining and forestry—we deal with a fair amount of industrial disease claims, and they're quite frustrating. You are either meeting the criteria established currently by the board or, more times than not, you don't, especially with industrial diseases. We're constantly having to go off to the Workers' Compensation Appeals Tribunal in order to deal with these very complex claims.

I would ask you two things. You've already answered the first part, which is that you think we need some sort of a board similar to what we used to have before, the Industrial Disease Standards Panel, as a means of trying to come to terms with that. The other issue is the time it takes to get some of these claims to move forward, never mind at the appeals tribunal level, but even way before we get to that. Far too often, the diseased individual

doesn't make it to the end. Your thoughts on trying to speed up that process in some way so people can get on with their lives?

Mr. Mahoney: I think it's a very good question. In fact, it's somewhat related to the question that Ms. Scott asked about speeding up the process as well. One way to speed up the process is to make decisions without going through endless appeals. That was something, frankly, in this much-criticized or heralded document, however you want to look at it, where we said that there should be more informative decisions and quicker decisions. Particularly, I think Mr. Bisson raises a very important point, that it's not much help to people who wind up passing away before they can have their claim dealt with. So expediency—I go back to the remarks by the founder of this great organization: "The benefits of speedy justice, humanely administered." I support those principles and, frankly, will work with you in your riding to see if we can develop a system that will improve things.

Mr. Bisson: We'll follow up on that, I am sure.

In regards to the bill that my colleague Andrea Horwath put forward in regards to firefighters, I heard some of your comments, but I had to go out and make a call; I didn't get it all. Your view on that particular bill, the importance of the presumption type legislation?

Mr. Mahoney: To be honest with you, I'm not as familiar with that bill as I would want to be to comment on it in this format, but I'm assuming it relates to injuries that—

Mr. Bisson: Disease, actually.

Mr. Mahoney: Right, disease; that's what I meant to say—to diseases that firefighters incur while on the job. Again, the principle shouldn't matter where it is. If it's a disease that was incurred on the job, then the WSIB should be there to try to help deal with curing that disease or finding a way to—

Mr. Bisson: Prevention, obviously, is always—

Mr. Mahoney: Prevention is number one in everything, whether it's disease or accidents.

Mr. Bisson: The question here is this: In the case of Ms. Horwath's bill, and also in work that I've done on the workers' compensation side for diseased miners, a big part of the problem is that often you've got the diagnosis of the disease, there is an indication in the medical evidence that it is work-related, but getting it to be—we say in French "concretisé"; in English, you would say "to formally prove that." The presumption is always against the worker, that it happens somewhere else. The reason that the miner got lung cancer was because he smoked, not because he worked in a dusty or smoked-out underground; the reason that the firefighter is diseased is because of lifestyle, not because of him or her having walked into a fire with chemicals.

This is my question: How do you feel about the issue of presumption legislation, which basically says that if you have a diagnosis of the disease and there's a sufficient benefit of the doubt that it was related to work, that would be the presumption? In other words, you allow the claim, and then it's up to the board to say otherwise.

Mr. Mahoney: The key word you used was “sufficient” evidence. If there is sufficient evidence, then it seems to me that there should be a way to move forward on it. I know the frustrations from my experience here of people just making assumptions, but we have to rely—I’m not a doctor, Mr. Bisson, and I don’t think you are either—on expert advice, on the information that is put before us. If there is supportive evidence that the disease was contracted as a result of the workplace, then I think it should be moved forward.

Mr. Bisson: But my point was giving the benefit of the doubt, because often the reports—I’ve dealt with a number of them, and it’s too long to get into—will say, “Here is a diagnosis. We know that the person is diseased.” There is sufficient evidence in the medical opinion that it was work-related, but the board says, “No, it’s not enough.” That’s why I’m saying presumption on the side of the worker.

Mr. Mahoney: I’ll undertake to do one thing, and that is to have a full and thorough discussion with you and some of your colleagues and the board on this issue.

Mr. Bisson: Okay. That’s fair.

Mr. Mahoney: I think that’s about as far as I can go at this point, assuming I’m confirmed, I might add.

Mr. Bisson: You’d be surprised. I don’t know, it might be tough around this table.

I’ve only got three minutes, and I guess I’d end on this question here: All of us deal with workers’ compensation in our offices. You know; you were a provincial member of Parliament, and I bet you dealt with it as a federal member of Parliament. We’ve got some good staff at the WSIB, and I don’t want to rain on their parade, because they try to do the best that they can. The issue, though, is that sometimes it’s very difficult to get a decision or to get answers to questions that are put forward to us by constituents that we represent. There’s a model that has been used in government for some time, what they call MPP liaison, where you call the minister’s office and they have a point person to try to respond to the inquiry of members, either opposition or government. What are your views on providing some type of service to MPPs that we are able to go to, other than the adjudicator or the manager, so that we have somebody once we’ve exhausted our attempt to get the resolution through that process? What are your views on providing some kind of service to members to deal with some of the more complex cases?

Mr. Mahoney: In response to that, in my experience as a minister we determined who the client groups were in the particular crown corporation. If we take CMHC and talk about housing, who are the client groups that we need to focus on? MPs were clearly one of them. One of the things that I can tell you happens in Ottawa is that, as a minister, if you don’t consult with the caucus of all parties, you can wind up in serious trouble. Exactly how we will set this up, I don’t know, but I think it makes tremendous sense for the chair to have a pipeline to MPPs to understand the issues that they’re facing. Whether or not I will be hiring some staff if I’m

confirmed in the position, I will undertake, once again, to look at a methodology where we can communicate directly and you can get some better answers. You may not always like the answers, but as long as you can get the communication through to the chair and to the administration.

Let me just add one thing. There are almost 4,500 employees in the WSIB. It’s the largest insurance company in Canada and in the top four in North America. This is a huge ship to steer, and it’s not one where you get quick, easy, knee-jerk kinds of reactions out of it. But communication will be one of my top priorities, and it will include MPPs.

The Chair: Thank you, Mr. Bisson. To the government side.

Mr. Parsons: I want to thank Mr. Mahoney for returning to the table and doing this. I’m glad we were able to work this out today, but I think it’s important that we view this not necessarily as a one-time, but to be fair to the nominees, they are told ahead of time that they will have X number of minutes. I hope this isn’t a precedent, that at any time we can yank another 10 minutes, but in this case it worked.

Mr. Bisson: I can use the standing orders next time, if you want.

Mr. Mahoney: May I just respond and say that as a former politician I could probably talk all day about this, so I appreciate your comments.

Mr. Parsons: Actually, in your case I’m pleased that it’s limited to 10 minutes.

The Chair: Thank you, folks. To the official opposition.

Ms. Scott: Thank you, Mr. Mahoney, for agreeing to come back for the extra time. I don’t have any specific questions. I just want to mention to Mr. Parsons that we have asked that the WSIB, as a board or agency, be called as one of our selections. So there will be time for more discussions, with the future date to be determined.

Thank you very much for appearing before us. I have no problem with your qualifications.

The Chair: Mr. Mahoney, part 2, thank you very much for your response to further questions from the members. Again, you’re invited to stick around.

I’m going to revert back to—Mr. Parsons did have a concurrence motion on the floor. I assume that still stands. Is there any further discussion on Mr. Mahoney’s intended appointment?

Mr. Bisson: I look forward to our agency deliberations.

The Chair: Any other debate on Mr. Mahoney’s intended appointment? Seeing none, I will move the question. All of those in favour?

Mr. Bisson: Recorded vote.

Ayes

McNeely, Milloy, Parsons, Scott, Smith, Van Bommel.

Nays

Bisson.

The Chair: It carries.

Mr. Mahoney, best wishes at the WSIB as chair.

COMMITTEE BUSINESS

The Chair: Folks, I'm going to quickly go through other business because our time is coming to an end. I will remind members that our next meeting, of course, will be Wednesday, May 31, at 10 a.m. To make sure that's clear, it's the regular time for the committee, 10 a.m. until noon.

We did our committee selections last meeting with respect to the agencies we want to review. A couple of things: First, I am having the clerk hand out some research on which agencies are eligible and why that is the case. I've had to find that the selections of the Ontario Power Authority and the Electrical Safety Authority were not in order because they do not fit with the mandate of this committee, which is to interview Lieutenant Governor in Council appointees or corporations in which the government has share capital, if I recall. It's all there in your research.

Mr. Bisson: Do we have a list?

The Chair: We don't have a list, unfortunately. It's a pretty hard thing to put together, and it's certainly understandable that we don't always know which groups would qualify and which ones would not. So I will ask Mr. Bisson—obviously, you'll have to consult with your caucus—to come back to the meeting of May 31 with your two other selections.

Mr. Bisson: Yes.

The Chair: The official opposition has notified me directly that the Ontario Lottery and Gaming Corp. is their first preference for our September hearings. I have

not heard from the government, if I recall, which you prefer to discuss first.

Mr. Parsons: Gambling and drinking go together, so we'll go with LCBO.

The Chair: That should make for a very interesting week. The Liquor Control Board of Ontario will be the government's selection.

The last thing: I did ask members, if they had any comments on the questionnaire, to submit them to the clerk for today's meeting. Ms. Scott has discussed this with the clerk, I think.

Ms. Scott: I just asked if there was a deadline.

The Chair: I had asked for it today.

Ms. Scott: Did you? I'm sorry.

The Chair: The deadline is today, so please have any comments that you have on the questionnaire in to the clerk by the end of the day today. The clerk and I will review the advice from committee members, and my own thoughts, and then the questionnaire will be complete.

Any other business?

Ms. Monique M. Smith (Nipissing): Do we have dates in September yet?

The Chair: We do. Madam Clerk.

Interjection.

The Chair: That's an excellent point. Just to make sure that's on Hansard, because this committee will be sitting in the intersession, we will need to ask permission for a motion before the House. So we will know the dates some time from now, but we are aiming for the intersession in September, I think is what the subcommittee had determined. The exact dates will be determined shortly.

Any other business? Seeing none, folks, we are adjourned until Wednesday, May 31. Thank you very much.

The committee adjourned at 1151.

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STANDING COMMITTEE ON GOVERNMENT AGENCIES

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Official Report of Debates (Hansard)

Wednesday 31 May 2006

Journal des débats (Hansard)

Mercredi 31 mai 2006

**Standing committee on
government agencies**

Intended appointments

**Comité permanent des
organismes gouvernementaux**

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GOVERNMENT AGENCIESCOMITÉ PERMANENT DES
ORGANISMES GOUVERNEMENTAUX

Wednesday 31 May 2006

Mercredi 31 mai 2006

The committee met at 1006 in room 151.

SUBCOMMITTEE REPORT

The Vice-Chair (Mr. Gilles Bisson): The committee will come to order. Thank you very much, everybody. Welcome to this beautiful Wednesday morning in downtown Toronto, where we've got probably 30-plus degrees and lots of smog outside.

First of all, we have everybody here. We all know why we're here. We are here to, first of all, deal with the subcommittee report of May 25. Any discussion of the subcommittee report?

Mr. Ernie Parsons (Prince Edward-Hastings): I would move adoption.

The Vice-Chair: I have movement of adoption. All in favour? Opposed? None. Carried.

INTENDED APPOINTMENTS

MARILYNN STEVENSON

Review of intended appointment, selected by official opposition party: Marilynn Stevenson, intended appointee as member, North Simcoe Muskoka Local Health Integration Network.

The Vice-Chair: We're going to go right to business and call forward Marilynn Stevenson, the intended appointee as a member of the North Simcoe Muskoka Local Health Integration Network. You may come forward. As you may be aware, you have an opportunity to say a few words. Whatever time you take will be taken from the government side, but we encourage you to take a few words and tell us a little about yourself.

Ms. Marilynn Stevenson: Thank you.

Mr. Joseph N. Tascona (Barrie-Simcoe-Bradford): Can I just ask, are we going to deal with other business also?

The Vice-Chair: Yes, after.

Mr. Tascona: Thank you.

The Vice-Chair: Please state your name for the record.

Ms. Stevenson: It's Marilynn Stevenson. Mr. Chairman and members, I'd like to thank you for the opportunity to appear before the committee and to discuss my qualifications with respect to a position on the North Simcoe Muskoka LHIN.

I've had over 25 years' experience working in service provision, primarily in health-related organizations. My organizational skills were first utilized in my position with the city of Barrie as coordinator of community and senior services for the city. In addition to managing senior facilities, I was responsible for consulting with and bringing together community groups and individuals to respond to identified service needs and manage special events. In this capacity I was instrumental in obtaining the inclusion of a senior centre within the development of a new recreational facility for the city—a first. This provided additional opportunities for the seniors as well as increased revenues for the city.

As a member and treasurer of the Older Adults Centres' Association of Ontario, which is now the OSCA—it's a provincial organization whose membership included community service providers, organizations and agencies—I gained a provincial perspective on the delivery of community support services. I was also very proud to be asked to chair their annual provincial conference, which was attended by 250 members.

I was initially hired by the Red Cross to implement and develop community-based home support services throughout Simcoe county. This was a project of the ministry and the Red Cross jointly working together. Within several years, we had over 1,000 volunteers delivering five different services from four different locations within the county. Over the years, we were able to respond to emerging needs through the development of additional services, and we were able to increase access and efficiency in service delivery. For example, working with the town of Collingwood and Community Living, we were able to integrate our two accessible transportation services into one more efficient model managed by Red Cross. We also worked on the development of services in French to the residents of Penetanguishene. So I've gained a sound knowledge of the geographic realities, community planning resources and the service needs of the residents of Simcoe county.

The community-based services that we operated were funded through the Ministry of Health and required the development of annual service agreements, including budgets, for approval and monitoring. I believe that my knowledge and experience in completing these agreements will be of assistance to the planning process.

I also served as a community service representative to the district health council during the deficit budget deliberations of the six county hospitals. This process

clearly established the important relationship between institutional and community-based services.

In 1995, in my capacity of homemaker manager, I proposed that the Red Cross integrate homemaking and home support or community-based services under one management for increased efficiency and better client service. This was successfully completed with the input from stakeholders, including the ministry.

I have completed three successful requests for proposals for the delivery of personal support services with the CCAC, an integral part of this new process. I have experience in the managed competition process and working with the CCACs, which I believe will be of benefit.

As an international delegate for the Red Cross, I was selected to travel to Zimbabwe to evaluate a primary health services project funded by CIDA.

I am currently the treasurer of Victoria Village, a \$34-million project consisting of a long-term-care facility, life lease units, a city activity centre and commercial establishments.

I believe in the need to make improvements to our health care system and would like to be able to use my knowledge and experience as a member of the North Simcoe Muskoka LHIN to support this. Thank you.

The Vice-Chair: We'll start with the government caucus.

Mr. Parsons: Thank you for being here today. A question about how you got involved in this, how you became aware of it and what process you followed.

Ms. Stevenson: Certainly. I first became aware of the emerging LHINs and the legislation when I was a member of the district health council. I was appointed to the district health council by the city. In January 2005, I was made aware of the fact that there was an application form on the website. I completed that and sent it in and actually didn't hear anything more until last fall, when I was called by the chair of the LHIN and asked to come for an interview. At the interview, there were three of the current board members as well as two additional people who completed the interview. Then I was told that my name was going forward.

Mr. Parsons: Thanks. I appreciate that.

The Vice-Chair: Any other questions from the government caucus?

Mr. Parsons: That concludes it, I believe.

The Vice-Chair: Nothing? The Conservative caucus.

Mr. Tascona: Thanks, Marilyn, for attending here today. It's my pleasure to have you come forth as a prospective appointment for the North Simcoe Muskoka Local Health Integration Network. You've got a lot of experience in this area of health care from the Red Cross and the city of Barrie. Your references are certainly people I know. I guess Robert Morton is with the community care access centre of Peel region.

Ms. Stevenson: No. Actually, he has moved in to take over the management of children's mental health services for Simcoe. That's quite recent.

Mr. Tascona: So he's moved on. He was involved also with the initial start-up of the community care access centre in Simcoe county. I know Janice Laking, a former mayor of Barrie, and Howard Courtney, a senior pastor. These are good references.

Just as a start-off point—we ask this question as standard—are you presently or have you in the past been involved with any political party or made any political donations to any party?

Ms. Stevenson: The only time I've been involved was with the federal Liberal Party, and that was some years ago. The rationale was to provide support to get somebody nominated. Since then I haven't.

Mr. Tascona: Okay. In terms of the LHINs in our particular area, it's quite a large one. It's covering all of Simcoe county and up to Muskoka. It's quite large. Their headquarters are located in Orillia.

What are the pressing issues? It's a very important position. I believe we need to get our health care services properly allocated within our area, because it's a large area, with some small communities and some large, which would be Barrie, which you're a resident of. What do you think the issues are that we need to be tackling to make sure we can get the best health care in our area?

Ms. Stevenson: I think one of the biggest concerns has to be the immense growth that's taken place, particularly in Barrie and surrounding areas, and the emergence of the Royal Victoria Hospital as a regional cancer centre and how that's going to fit in with other people who are just outside Barrie. That's one of the issues we have to deal with.

We also have the whole issue of urban versus rural and the great distances that exist between some of the smaller communities. I can recall people from Barrie having to go up to Orillia for dialysis three times a week. As the providers of a lot of that transportation, that was a huge, huge problem for us. So certainly distance is an issue that we have to deal with.

We also have both the francophone and the First Nations as contributors to our area LHIN.

Mr. Tascona: Yes, Rama First Nation and also up in Lafontaine with respect to the francophone population.

Ms. Stevenson: We also have a fairly significant and growing aging population, as people retire from Toronto and move up. And then we of course have the summer influx of tourists and seasonal people, so we have a population that changes considerably as well.

Mr. Tascona: Is the LHIN going to be responsible for the long-term care in the area?

Ms. Stevenson: Yes.

Mr. Tascona: Long-term care, obviously, is a growing area because of the aging population. As you said, there are people coming up from other areas, not necessarily just Toronto but outside of the county, into Barrie, and there is a limited number of nursing homes. What do you think the status of that is in terms of how we should deal with that? We only have a limited number. Some of them are expanding, have been given a couple more beds; not a lot. How do you think we deal with that?

Ms. Stevenson: One of the things I've heard mentioned is the possibility of the reallocating of beds to manage; there are places that are actually overserviced. So we can take a look at doing something in that line.

Mr. Tascona: When you say "overserviced," are there any particular areas you're thinking of?

Ms. Stevenson: Apparently, my understanding is that the Toronto area has a surplus of beds.

Mr. Tascona: Is that right?

Ms. Stevenson: So aside from the LHIN taking a look at the service agreements, finding out exactly how many are there—I think we've been working for a long time on trying to bring more nursing beds into the area, and we need the statistical data to support it as well.

Mr. Tascona: One area that I think is important is people with dementia and Alzheimer's. That's growing among seniors. In Barrie, Grove Park Home and the IOF, particularly the IOF, have day programs for people with dementia. That's a growing area, yet in my view it doesn't seem to be addressed the way it should be in terms of providing more programs. Is that something you think is important to look at? The CCACs can look after them during certain hours, but what about having a program during the day so they can go out and be treated and looked after?

Ms. Stevenson: I think it's going to be absolutely essential, because the people who are doing the care-giving are people who really need a break; they need to be able to get on and do the other things they need to do in their lives. I know that when Victoria Village was being created, there was talk of the development of an adult day centre within that facility.

Mr. Tascona: We need more beds in the area and we also need more programs to deal with the current issues.

Ms. Stevenson: And I would hope that when the LHINs are doing their community consultation, they'll be able to pick up on that kind of thing.

Mr. Tascona: So you think that's an important role for the LHIN, to get out there and find out where the needs are?

Ms. Stevenson: Absolutely.

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Mr. Tascona: I agree with you there.

One other thing when we're looking at the population is that there's a shortage of doctors in the area. I was talking to an individual last night. They've been living in Barrie for three years and they finally got themselves a family doctor. That doctor apparently came in from Newfoundland and is taking patients in Barrie. Recently—I know Jim Wilson has been talking about it—they closed down the Collingwood hospital emergency service because of the strain on the area. How do you think we deal with this family doctor shortage? We've got the growth, but there doesn't seem to be anyone listening on the council. They just keep on bringing them in. How do we deal with that? Because it's not going to go away.

Ms. Stevenson: I think we have a recruitment force of physicians—

Mr. Tascona: We've got that, yes.

Ms. Stevenson: —who are diligently going out in search. I think what they're running into is that it's not the only area of the province that has a problem. One of the things we can also do is look at whether we can delegate some of the tasks to more nurse practitioners. Can we alleviate some of that stress? Also, there's the development of—I believe that in Barrie 75 doctors have signed on to family health teams, so that's starting to move in that direction. But it's a very, very challenging problem.

Mr. Tascona: People come up to an area and expect to get a doctor, expect to get services, but they're not there. The council doesn't tell them that; they just approve units and say, "We're going to build more homes." What role do you think the LHIN can play in working with councils and saying, "Listen, these are all the services we've got; this is all we can deal with"? It's like a water issue, saying, "We can service 20,000 more units with our water supply." It's the same thing with health services: "We can service such and such with what we've got," or "We're underfunded on this and that." How do you propose to work with the councils, who don't seem to be listening to anybody else as to what's going on in the area?

Ms. Stevenson: One of the members of the LHIN did do a presentation to city council to make that connection. I think that through this consultation process they will come up with, if you want, more ammunition. Then you'll be looking at the community saying, "We've got to have this," and the larger the community you can involve, the better your chances of—

Mr. Tascona: I hope the LHINs would take a strong role. I think they're going to have to, because if the services aren't there, people should know that. The council shouldn't be approving units where there are no services. Innisfil is under incredible siege in terms of house development, but there are no doctors down there and no social services to deal with that. You know that from the Red Cross.

Ms. Stevenson: Yes.

Mr. Tascona: Yet they're all going to be coming up. It doesn't make any sense.

Ms. Stevenson: Also, aside from doctors, hopefully through the development of the service plans we'll find other ways to move things around to maybe relieve some of the stress off what we do need in terms of doctors. Over time, we've been funded to train more doctors. Obviously, that's going to take time.

Mr. Tascona: What are your expectations in terms of what you're going to be doing, what you've been told? You're a part-time member. What do you expect to be doing?

Ms. Stevenson: To attend monthly board meetings. I've already—even though I'm not on the board, they've hosted open houses and community consultations, round-table consultations, so I have attended those to be current about what's happening. The nice thing about being part-time is that you can actually—

Mr. Tascona: Can you turn down that air conditioning? I can't hear her.

Ms. Stevenson: Being retired gives me a little bit more flexibility. If there is a project that needs to be undertaken, I'm more than willing to do that, but I also think I'll do a lot in terms of planning, reviewing service agreements and that kind of thing.

The Vice-Chair: Could we just ask you to speak up a bit? There's air conditioning in the corner here, and it's—

Mr. Tascona: I appreciate that, Marilyn, and I look forward to working with you. I think you're going to be an outstanding member. The work that needs to be done with our aging population is important, and the Red Cross currently plays a big role with respect to home care for seniors who are still their homes. I look forward to working with you.

Ms. Stevenson: Thank you.

The Vice-Chair: It's now the turn of the New Democratic Party, and that's me. I just have a couple of questions. I don't want to abuse it from the chair.

Mr. Gilles Bisson (Timmins-James Bay): You have a fair amount of experience in working in this field in the past. You talked about the work you did at the Red Cross in bringing the various parts of the agency together, which I agree with. However, I have one question, just to canvass your views of what role, if any, the private sector should play in the delivery of health care.

Ms. Stevenson: Currently, the private sector does play a role. Nursing homes that are privately run are funded by the ministry. There are other examples. So there's been kind of a sharing of responsibility. I think the not-for-profit sector has done an excellent job, but then that's the field I worked in. My experience came from when the CCACs put out contracts, and I guess because it was a new process there were some problems. So if you're going to go that route, I think you've got to really evaluate why you're going that route, what the advantage might be, and you have to evaluate and monitor it along the way.

Mr. Bisson: I don't want to put words in your mouth, but I think what you said is that you prefer to see the system delivered in a not-for-profit model. Is that what I heard?

Ms. Stevenson: No, I would like to see it provided in the most efficient way and in a way that best serves the needs of the patient, client, whatever.

Mr. Bisson: So to you, if it's private or public, that's not of any importance.

Ms. Stevenson: I've worked in the not-for-profit, so I guess I do have a leaning toward not-for-profit, but I have also seen good examples of private organizations that have done a good job. For me, the bottom line is that it's got to be good; it's got to be evaluated.

Mr. Bisson: When the CCACs were formed, the RFPs that went out, are you aware of the situation that happened in Timmins with the Red Cross? After I forget how many years of delivery, they basically got beat out, even though they had a better service.

Ms. Stevenson: Yes. That's what I was referring to when I said there were some initial problems. We had the same experience. I completed those RFPs in Barrie. I mean, you can put a lot of words on paper; it's how you deliver that becomes—that's why I say they have to be monitored and there has to be some backup.

Mr. Bisson: One of the problems—again, just the experience we had—is that when we went the RFP process on the CCAC, it was not even a competitive bid system per se; they went to one service deliverer. In other words, we went from having a system that was public, not-for-profit, through the Red Cross, to not having any competition whatsoever within the CCAC. So the prices just went right through the roof. I take it you have some experience in that and will be keeping an eye out for that.

All right. That's all the questions I have. Thank you very much.

The Vice-Chair: If you want to take a seat, we'll be voting on your particular appointment a little bit later.

BRIAN WILKIE

Review of intended appointment, selected by official opposition party: Brian Wilkie, intended appointee as member, Niagara Falls Bridge Commission.

The Vice-Chair: We are now going to call up our next interviewee today, Brian Wilkie, an intended appointee as a member of the Niagara Falls Bridge Commission. Again, as you come forward, just to let you know, you can make a brief statement. Any time you take will be taken from the government caucus. Please state your name for the record, and try to talk close because we're having a problem here with the air conditioner.

Mr. Brian Wilkie: Brian Wilkie. I would like to thank the committee for the opportunity to say a few words regarding my qualifications to serve as an appointee to the Niagara Falls Bridge Commission.

I must tell you that I have always been uncomfortable in situations where I have been asked to talk about myself and discuss my background and accomplishments. However, that does not mean that I am not prepared today to express to you my complete confidence in my ability to be an effective member of the commission and to tell you that I would bring some valuable knowledge and skills to the position.

I am a lifelong resident of Niagara Falls who has always had a personal interest in keeping well informed about the various issues and financial factors that impact our region's economic well-being and its future potential. I suppose that's not surprising, given my chosen profession as a certified general accountant. My background as an accountant has always lent itself to financial analysis and projection.

I joined Niagara Falls Hydro 23 years ago and, after serving as an accountant and then director of finance with the utility, I was appointed the president nine years ago. As president of Niagara Falls Hydro, I am responsible for all aspects of the operation of a corporation that has total assets of approximately \$90 million, a service area of 80 square miles, 35,000 customers and a staff of 75.

I am proud to say that our utility is successful, financially viable and highly respected in the utility industry. I am also proud of the fact that Niagara Falls Hydro was a founding member and continues to play a lead role in the Niagara Erie Public Power Alliance, an organization of 11 electrical distribution companies who work together to find efficiencies on behalf of our customers.

1030

Of course, it goes without saying that electricity is an essential service, and the reliability of the local electricity distribution system is a key part of our community's economic growth and prosperity.

As president of Niagara Falls Hydro, I take my responsibility for ensuring the reliability of that essential service very seriously, and I would look upon the work that I would do as a member of the bridge commission in this same manner: a member of a team responsible for the operation of an essential economic service. I would do this because I recognize that the efficient movement of people and goods across the international border crossings impacts the social and economic well-being of not only the Niagara region but also the province and our country.

I am also a great believer in giving back to your community, and that's how I would view my appointment to the commission: a way of giving back to the community. This belief in getting involved to better your community has always been a part of my management philosophy. As president, I have ensured that Niagara Falls Hydro is a supporter of community events and organizations and also encourages and supports its employees in doing the same. Personally, I have been a volunteer in supporting the local business community and I am the past chair of the Niagara Falls Chamber of Commerce.

I recognize that there are challenges facing the provision of safe and efficient movement of people and goods across our international bridges, and I also recognize that how the Niagara Falls Bridge Commission deals with these challenges is more important than ever. With that in mind, I want to express to you that I believe I have the financial and managerial experience as well as the leadership qualities to be an effective member of a commission that deals successfully with those challenges.

The Vice-Chair: With that, the government caucus. Oh, I'm sorry; we started with you the last time. I erred as Chair; I can't believe it. Mr. Tascona, it is your turn.

Mr. Michael Gravelle (Thunder Bay-Superior North): It's never happened before.

The Vice-Chair: It's never happened because I just never do this.

Mr. Tascona: Thank you, Mr. Wilkie, for attending here today. I just want to get some preliminary matters out of the way. How did you become involved in this appointment?

Mr. Wilkie: It would have been sometime around the middle of December. I happened to be reading the local newspaper and I noticed that there was a government advertisement for commissioners to the Niagara Falls

Bridge Commission. Obviously, I was interested. I had some knowledge through my contacts in the community and my involvement with the chamber. So I went online and applied, and sometime about the middle of February I received a phone call from the bridge commission and had an appointment with the chair, the general manager and another individual; I think he was either the vice-chair or a government appointee. I had an interview and the next thing I knew I'm sitting here today.

Mr. Tascona: Your references include Kim Craiton, who is the local MPP for Niagara Falls?

Mr. Wilkie: Right.

Mr. Tascona: What involvement did you have with him with respect to the appointment?

Mr. Wilkie: That's a very good question. I've known Kim probably for close to 15 years. The first involvement I had with Kim was through the United Way of Niagara Falls. From there, as an employee of a municipally owned corporation—Kim was a former council member of the city of Niagara Falls, so I became involved with Kim through the electricity business in preparing Niagara Falls Hydro for the deregulated electricity business. Obviously, Kim was part of the owner of the utility, so I became involved with him as a municipal councillor in guiding Niagara Falls Hydro to where it is today.

Mr. Tascona: Have you currently or have you had in the past any involvement with any political party or made political donations to any political party?

Mr. Wilkie: No, I do not have any involvement with any political party, nor have I ever had any in the past. I have not, as well, made any political donations whatsoever.

Mr. Tascona: What do you think the impact would be of the United States requiring passports of people crossing the border? The review the government was supposed to be conducting was to address security issues. Do you think if they had moved more quickly on the review they might have been able to deal with the identification issue prior to its becoming such a big issue? You're aware of how this passport issue may impact Niagara Falls. Any thoughts on that?

Mr. Wilkie: That's a very good question. What you touched on is one of the key concerns for the bridge commission going forward, and that's obviously, if I can phrase it properly, the safe and efficient movement of goods and services across the border. I think the passport issue, though, is an issue for the federal government. I don't believe part of the bridge commission's mandate is to become too involved. I think they provide advice to the government, but they don't actually have any real say in how those regulations are rolled out.

Mr. Tascona: The chair position of this board rotates between the American and Canadian membership. Has there been any conversation with you regarding possibly filling that role when it's Canada's turn to chair the commission?

Mr. Wilkie: No. I have not received any comment to that effect.

Mr. Tascona: Currently, you're just going to be a part-time member?

Mr. Wilkie: Yes.

Mr. Tascona: What's that going to involve in terms of time and compensation?

Mr. Wilkie: During my interview in February, they mentioned that it would probably be a meeting per month, the duration of which was several hours long. Then there was the time to prepare before the meeting, whatever was needed for that.

Mr. Tascona: What do you think are the most significant issues the bridge commission will be facing over the next few years? You're fairly involved in the community.

Mr. Wilkie: I think just moments ago we touched on one of the issues: the safe movement of goods and services and people across the border. Also, there's the issue that during peak periods of time, the bridge can experience long waiting periods. That has a negative effect on tourism and travel into the province of Ontario. I think that's a very important issue for the bridge commission, to be able to have in place the infrastructure to quickly move people across during those peak periods.

Mr. Tascona: How many bridges are there that you would be involved with? Is it just the one bridge?

Mr. Wilkie: There are three. There's the Rainbow Bridge, which is right in the centre of Niagara Falls, by the tourist area. There's a smaller bridge, which I call the lower bridge, but it's actually the Whirlpool Bridge. That's a bridge dedicated to the NEXUS users only. Then there's the last bridge, which is in Lewiston, New York, and that's the bridge that they've actually built another lane onto to improve the traffic flow over that.

Mr. Tascona: The local MPP, Kim Craiton, feels that the MTO bureaucrats are needed to get the situation under control. He said, "There are things out of our control with traffic and backups and all kinds of things happening at the bridge.... They just felt it was important to get hands-on with this whole thing." You're obviously not with the Ministry of Transportation. Do you feel you're able to do the job as a layperson and a person with business experience in the community? Do you think you're capable of doing the job?

Mr. Wilkie: I believe so, yes.

Mr. Tascona: The Ministry of Transportation will have a presence there until 2009. Have you had any discussion in terms of how you're going to be working with them or interacting with them, since they'll have a lot of control?

Mr. Wilkie: No, I've had no discussion about that.

Mr. Tascona: But you're aware that they're going to be involved.

Mr. Wilkie: I'm aware that they have been involved and that there was still to be some involvement, but I wasn't made aware of what that was to be.

Mr. Tascona: Is there anything else you'd want to add in terms of what your expectations are regarding this particular role you're going to be taking on?

Mr. Wilkie: No, I don't think so. I'm looking forward to it, I'm eager for it, and it's—

Mr. Tascona: Is it a three-year term you get?

Mr. Wilkie: I believe so, yes.

Mr. Tascona: Those are all the questions I have, Mr. Chairman.

The Vice-Chair: Mr. Zimmer.

Mr. David Zimmer (Willowdale): You used the expression a "NEXUS user of the Whirlpool Bridge." I know that bridge. What does that mean, a NEXUS user?

Mr. Wilkie: You know what? I can actually show it to you.

Mr. Zimmer: I've always wondered, because I see that bridge all the time.

Mr. Wilkie: The NEXUS is almost like a pre-security clearance pass. You go in front of the Canadian customs and the United States customs. You apply for it. It's much like a passport. I think it's based on biometrics. There are about 85,000 of them, I think.

Mr. Zimmer: You need a pass to get over that bridge. That's why they turned me back and sent me to another bridge.

Are the meetings in the US or Canada or are they back and forth?

Mr. Wilkie: The meetings are in the United States. That's where the head office of the bridge commission is.

Mr. Zimmer: Thank you.

The Vice-Chair: Any questions from the government caucus?

Mr. Gravelle: You skipped yourself.

The Vice-Chair: It's because I didn't have any questions.

Mr. Parsons: We're out of order of our turn. We're never out of order, but we're out of rotation.

The Vice-Chair: I didn't have to ask the NDP caucus if we wanted to ask questions because I knew the answer was up here, so I skipped and I went to you.

Excuse me; I'll do it officially. Does the New Democratic Party have any questions? Seeing none, the Liberal caucus. Here we go.

Mr. Parsons: If you're satisfied, we're satisfied.

The Vice-Chair: Thank you very much. If you want to step back and wait, we'll go to our next intended appointee. We'll be voting on your particular appointment in a very short while.

1040

DONALD ROSS

Review of intended appointment, selected by official opposition party: Donald Ross, intended appointee as member, Waterloo Wellington Local Health Integration Network.

The Vice-Chair: Our next interview today is with Donald Ross, intended appointee as member, Waterloo Wellington Local Health Integration Network. Please come forward and state your name for the record. As I said earlier, any time you take will be taken from the government caucus. Welcome to our committee.

Mr. Donald Ross: Good morning. I am Donald Ross. I welcome the opportunity to address the members of the committee.

First of all, I'd like to update the committee on the personal information that was on the application form. I filled that application form out approximately a year and a half ago. Since then, my farming operation has been scaled back so that it's just cash cropping; there are no animals involved in it anymore. Secondly, I've been a provincial appointee to the Wellington-Dufferin-Guelph Health Unit since early 2005.

I'd like to bring to the committee's attention what I feel are some of my qualifications to become a contributing board member of the Waterloo Wellington LHIN. I have been a board member in the past of the Louise Marshall Hospital in Mount Forest and am currently on the Wellington-Dufferin-Guelph Board of Health, so I have some experience in the health field. As mayor and as previous school board chair of the Wellington County Board of Education, I have served several years in public administration, management, human resources, labour relations and communications, so I have experience in each of those. I've also had experience on more volunteer boards with the conservation authority, the federation of agriculture and the North Wellington Co-op. I also have business experience through my farming operation.

On a personal level, I listen well. I work very well with others. I am well prepared and I like to contribute at meetings.

At this time, I would welcome your questions.

The Vice-Chair: This time, we start with the New Democratic caucus, and I will go right to the government caucus.

Mr. Parsons: We have no questions. Thank you.

The Chair: Mr. Tascona?

Mr. Tascona: Did you have any questions?

The Vice-Chair: No, that's fine. Go ahead. It's kind of awkward doing it from the chair, I find.

Mr. Tascona: Oh, okay.

I want to thank you, Don, for attending here today. I think you're very well qualified for the position. You're a busy man as it is. I knew you were on the Wellington-Dufferin county board; is that going to be continuing?

Mr. Ross: No, I would be resigning that position when this one comes through.

Mr. Tascona: So you will be resigning from there. This appointment would be—is it for three years?

Mr. Ross: I understand it's only for two.

Mr. Tascona: Oh, okay. What's going to be expected of you in terms of your time?

Mr. Ross: What I understand so far is that there is at least a monthly board meeting. I understand that with the LHIN there is a fair bit of public consultation, getting public input, so I see that from the beginning there would be the need to attend what I'll call community meetings to get myself up to speed as to what is needed in health care in Waterloo-Wellington.

Mr. Tascona: Would you just be attending board meetings, or is there an expectation that you would be going out and doing some community work with respect

to education or consulting or getting input from the public?

Mr. Ross: There would be that thought to it, or at least I would see that as part of my role too. If you're going to do a job, you need to get the background information, and you can only get that by talking to the public and to the service providers.

Mr. Tascona: Your area is essentially a rural area, I take it. I don't know exactly the areas you cover. Are you also into Waterloo?

Mr. Ross: Yes. It does cover all of Waterloo and Wellington, which is Kitchener, Cambridge, Guelph, plus the rural area—

Mr. Tascona: So you've got some big municipalities in there along with the rural, and a fairly large geographic area. I know you're from up in the Wellington county area, so you're going to be coming from the rural perspective. How do you think you're going to get your voice heard? There are only so many resources out there in the health area, and Cambridge, Kitchener and Waterloo have a pretty significant body of population and also needs with respect to population. How do you figure your role's going to work out with respect to how the LHIN deals with the priorities? There are only so many resources.

Mr. Ross: That will be a challenge. I think the best way to handle that is to do your homework so you know what is needed and the costs involved. I don't think there's anyone on the LHIN board who's not in favour of providing good health care to everyone within the area. I think I can make my voice heard.

Mr. Tascona: The way it's set up, the minister still has the final say in terms of how they allocate the resources.

Are you going to continue to be involved in the community? I know you were the mayor of Wellington county. Are you going to continue to be politically involved there?

Mr. Ross: I haven't totally decided yet. I'm getting a little older and maybe not looking for a full-time job such as mayor any more, but there is a possibility of running for county council again.

Mr. Tascona: Is that county council just Wellington county?

Mr. Ross: Yes.

Mr. Tascona: So that wouldn't be involving Waterloo at all; just that particular area.

Mr. Ross: It wouldn't be involving the city of Guelph either.

Mr. Tascona: What do you think the big health care issues are that you need to tackle in your area? I'm speaking of the rural area that you're from.

Mr. Ross: Two things: one becomes distance to service and the time allocation. Some of that's been addressed with the Grand River Hospital moving some of its dialysis units—or it's in the process of moving them—into the Palmerston hospital. That's certainly going to cut down on travelling time. It's the type of operation that can be handled in a small local hospital without at all compromising the service provided.

We also have a large Mennonite population, horse and buggy, so transportation becomes quite an issue. Like everywhere else, we have an aging population that's becoming in more need of health care all the time, and that's going to be a major challenge.

Mr. Tascona: How many hospitals do you have in that rural area? You've got the Palmerston hospital.

Mr. Ross: There's one in Mount Forest and one in Fergus.

Mr. Tascona: Are they all operating 100%, or is it—

Mr. Ross: No. They don't offer all services. I'm not familiar enough to tell you what, but those who require a specialist and so on have to go to either Grand River or Guelph.

Mr. Tascona: You know Ted Arnott, who's the MPP—

Mr. Ross: Very well.

Mr. Tascona: —because you ran against him back in 1995.

Mr. Ross: Yes, I did.

Mr. Tascona: Would you be dealing with him with respect to this whole catchment area for the LHIN, or are there a number of MPPs in that area?

Mr. Ross: There are a number of MPPs in the area. I believe John Tory represents the town of Mount Forest. Ted represents the majority part. I'm not sure if there might be another MPP representing the south; certainly in Waterloo there are several MPPs. We might even have one here today.

Mr. Tascona: No.

Mr. Ross: So there are several MPPs involved.

Mr. Tascona: How did you get involved with this process? You're on the Wellington county. How did you become aware of this position?

Mr. Ross: The local CEO of the Palmerston and Mount Forest hospitals contacted me and asked if I would be interested. They were looking for people who could apply for the position so that their area might have some representation.

Mr. Tascona: Do you have any idea of how your board structure is going to be set up and where you stand in it as a part-time member?

Mr. Ross: I guess all I know yet is that there's a chairman, a vice-chairman, a secretary and six other board members. I understand that most of us are being appointed at this time. I think there are three others. I'm not really aware yet as to how that board is going to operate from an administrative point of view.

Mr. Tascona: So there's a chairman, vice-chairman and three part-time board members?

Mr. Ross: There's nine altogether, so there would be seven others.

1050

Mr. Tascona: So it's going to be fairly sizable, then.

Is there anything else you want to add with respect to what you think you can provide for this position or what you think is important for your area?

Mr. Ross: Though I haven't spent years dealing with the health field, I certainly have an interest in it. I really

look forward to the opportunity of learning more about it and contributing to it.

Mr. Tascona: I think you're going to be an excellent choice, because I think you represent a good part of the rural area in terms of understanding what they need. I think it's going to be a big challenge in terms of how you interact with the big cities there. I wish you the best. Thanks, Don.

Mr. Ross: Thank you.

The Vice-Chair: Thank you very much. We will now move to the next part of the meeting, the concurrences in regard to all of these appointments.

We'll start with Marilynn A. Stevenson, intended appointee as a member for North Simcoe Muskoka Local Health Integration Network. Can we have somebody move it?

Mr. Parsons: I move concurrence.

The Vice-Chair: Any discussion? No discussion. All those in favour? Opposed? So noted. That's accepted. You have been appointed. Congratulations, Marilynn.

We'll now consider the intended appointment of Brian Wilkie, intended appointee as member of the Niagara Falls Bridge Commission.

Mr. Parsons: I move concurrence.

The Vice-Chair: Mr. Parsons moves concurrence. Seconded by?

Mr. Tascona: I'll second.

The Vice-Chair: There we go. Mr. Tascona, that's very nice.

Any discussion? All those in favour? Opposed? Seeing none, done. Mr. Wilkie, you are now appointed. Congratulations.

Our very last, but not least, appointment is Mr. Donald Ross, intended appointee as a member of the Waterloo Wellington Local Health Integration Network.

Mr. Parsons: I would move concurrence.

The Vice-Chair: Mr. Parsons, Mr. Zimmer. Any discussion? All those in favour? Opposed? Seeing none, you're all appointed. Congratulations again.

We're not adjourned, though. That was just to make it official. You're not official until we do this.

OTHER BUSINESS

The Vice-Chair: We have another matter that we need to deal with. Mr. Tascona wanted something under "other business." Maybe we'll start with you.

Mr. Tascona: Well, did you have something you wanted to do?

The Vice-Chair: Just to report back. We still need our two picks from the NDP caucus for agencies being vetted, because the last two picks we had were not able to be brought before the committee because of the rules. We've got a couple that we've put into the hopper. We're waiting for word back, and as soon as we get that cleared, we will let everybody know.

Mr. Tascona.

Mr. Tascona: I received yesterday the Ontario Labour Relations Board annual report, which is 2004-05. In this particular annual report, it had on page 4—I've made a

copy, Mr. Chairman, which I'll give you in a moment. It has order-in-council, OIC, appointments. I'll just give you that so you know what I'm talking about.

The Vice-Chair: Maybe we can get copies made for everybody else.

Mr. Tascona: Sure. I was just curious about it when I saw this. The order-in-council appointments sort of jump out at you because that's what we do here. They have a number of appointments—the chair, the alternate chair, and then there are 14 full-time vice-chairs, six part-time vice-chairs, five employer board members full-time, and then six employee representatives full-time. We've dealt with a couple of vice-chairs and we've dealt with a few—perhaps just one employee rep.

I'm looking at these, and as you can see, some of these are expired and some are coming up for expiry. I recognize that we don't deal with reappointments, but this definitely indicates that there are perhaps vacancies at the Ontario Labour Relations Board. This is really out of date when you're coming up with a—one name that jumped out at me was a full-time vice-chair, Patrick M.

Kelly, appointed from May 17, 2002, to May 16, 2005. Well, that's over with, and I'm just wondering where that person went.

I would just ask the clerk, with the indulgence of the committee, if we can get an update in terms of the status of the appointments at the Labour Relations Board so we can know exactly how many openings there actually are in terms of whether they're understaffed, or something more current than what has been provided in this annual report in terms of knowing the order-in-council appointments' current status. That's what I ask.

The Vice-Chair: Any discussion on that? Nobody? Okay. Maybe for our next meeting we can get a report back from the clerk.

That brings me to the last matter before us, and that is our next meeting. We're going to be on June 7, I believe. On June 7, we only have one appointee coming forward, and that's for the Ontario Lottery and Gaming Commission. We'll be meeting at the regular time on June 7.

Any further business? Seeing none, adjourned.

The committee adjourned at 1055.

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Official Report of Debates (Hansard)

Wednesday 7 June 2006

Journal des débats (Hansard)

Mercredi 7 juin 2006

**Standing committee on
government agencies**

Intended appointments

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STANDING COMMITTEE ON
GOVERNMENT AGENCIES

Wednesday 7 June 2006

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES
ORGANISMES GOUVERNEMENTAUX

Mercredi 7 juin 2006

The committee met at 1104 in room 151.

INTENDED APPOINTMENTS

The Chair (Mr. Tim Hudak): Good morning, folks. I'm going to call to order the standing committee on government agencies for its regular meeting of Wednesday, June 7, 2006. Welcome back. I thank my colleague and very able Vice-Chair, M. Bisson, for filling in at our last meeting.

Mr. Ernie Parsons (Prince Edward-Hastings): He was great.

The Chair: Uh-oh. There may be an uprising brewing; I'll have to be extra nice. Did I tell you about the good coffee that we have now in the urn?

Mr. Parsons: Not wishing to give a smart response, I notice the other committees actually have food along with their coffee.

The Chair: Food? A little late-morning snack, eh? We'll have to work on that.

We actually have a rather light agenda today. In the interests of moving ahead with our intended appointee, we'll defer other business to the end of the agenda, as well as item number 2, agency selections. We're waiting for the third party's agency selection and it will remain the second item on the agenda, but we will begin with appointments review.

MICHAEL GOUGH

Review of intended appointment, selected by official opposition party: Michael Gough, intended appointee as chair, Ontario Lottery and Gaming Corp. board of directors.

The Chair: Our first interview today is with Michael Gough. I remembered the name correctly; right, Mr. Gough?

Mr. Michael Gough: Yes.

The Chair: Thank you. Mr. Gough, welcome back to the committee. Mr. Gough is now appearing in the capacity as an intended appointee as chair of the Ontario Lottery and Gaming Corp. board of directors. Mr. Gough had visited us just over a month or so ago—was it March?

Mr. Gough: It was three months ago, almost.

The Chair: Three months? Time flies. It just seemed like the other day.

Mr. Gough: I feel that way as well.

The Chair: There you go. So now Mr. Gough has been nominated as an intended appointee as chair of the OLGC and appears before us today.

Mr. Gough, you're welcome to make some opening comments, as you did before, if you want to talk about your last three months as well—I'll just get through this—and then we'll begin any questions with the official opposition for our rotation, and then the NDP and the government.

Mr. Zimmer, do you have a question?

Mr. David Zimmer (Willowdale): Yes. Just to help me—I'm just subbing in on the committee—Mr. Gough was here three months ago?

Interjection.

Mr. Zimmer: Right. Sorry.

The Chair: He did such a good job that committee members wanted to see him back again.

Mr. Zimmer: Thank you.

The Chair: To be clear, this is a new appointment for Mr. Gough now as the chair of the OLGC, sitting in the big chair as opposed to being an excellent but regular member of the OLGC.

Mr. Zimmer: Thank you, Mr. Chair.

The Chair: My pleasure.

Mr. Gough, the floor is yours for some opening comments.

Mr. Gough: I'll abbreviate my comments this morning just to allow more time for questions.

As you're aware, I'm a lawyer. I've practised law for almost 35 years. I retired from practice at the end of 2005. More than a third of my career was spent in the public service in Ontario. I started in 1971 with the Ministry of Consumer and Commercial Relations—

The Chair: Oh, yes. That's right.

Mr. Gough: —and in 1974 moved to what was then treasury, economics and intergovernmental affairs, where I stayed for almost 10 years. I think my application has details of some of the responsibilities at the time.

In 1981, I joined crown-owned Urban Transportation Development Corp., initially as general counsel and subsequently as president of one of the operating subsidiaries.

I returned to the practice of law in early 1985 when I joined the firm of Osler, Hoskin and Harcourt. I became a partner in 1986 and, as I mentioned, I retired from Osler's at the end of 2005. Again, I think my application

describes something of the nature of my practice while at Osler's.

Perhaps of relevance to this committee is my experience with the gaming industry. I had acted on behalf of a major US casino operator who, in the early 1990s, bid Windsor as an operator. We were shortlisted but not successful. They came back again for the first casino in Niagara Falls, worked very hard at it but ultimately decided not to bid. I advised them generally on gaming and regulatory matters across Canada up until about three or four years ago.

I also acted for a number of large lotteries, including one of the very first Toronto hospital mega-lotteries.

I serve on a variety of community and not-for-profit boards, and those are listed in my application as well. I am making my way through the directors' education program at the Rotman School of Business. That's run by the Institute of Corporate Directors. I have my third quartile this coming weekend and I should have completed that in October.

I believe I bring to this appointment a strong blend of public-private sector experience, a sound understanding of the regulatory and business side of the gaming industry. I've got a pretty firm grasp of how public policy is developed and implemented from my time with those two ministries. I've prior experience in working with and for crown agencies in Ontario.

Finally, I'm experienced in corporate boards and have knowledge of their governance. I hope that background and that experience will again recommend me to this committee for approval.

That completes my statement, Mr. Chair.

The Chair: Great, Mr. Gough. Thank you very much for your opening remarks. We'll begin any questions or comments with the official opposition.

Mr. Joseph N. Tascona (Barrie-Simcoe-Bradford): Thank you for coming here once again, Mr. Gough. Have you been involved in the Liberal Party in terms of helping out the party in any way?

1110

Mr. Gough: No. I'm probably in a majority. There were periods in my life, mostly when I was younger, when I was active with the Liberal Party. I've been active with the Conservative Party probably for the same period of time, and there have been long, long periods of time, including the 13 years that I was with the public service, when I was not active with any political party at all. And it's been riding associations, things where a friend of a friend wanted somebody in a riding association to help with a nomination. I haven't been active with either party in terms like you think of as being party business.

Mr. Tascona: Where do you live, your residence?

Mr. Gough: Yonge and Lawrence, at 47 Cheritan Avenue.

Mr. Tascona: So would Michael Colle be your member of provincial Parliament?

Mr. Gough: Yes.

Mr. Tascona: Have you had any involvement with him in terms of that appointment you had back on March 1 and this one here?

Mr. Gough: No. I've had no conversations with Mr. Colle since he was elected.

Mr. Tascona: Okay. You were reviewed by us on March 1. At that time, did you have any indication or understanding that you would be moving to become the chair?

Mr. Gough: None at all. About two weeks after my appointment was approved, each of the directors individually received a call from Tim Reid indicating that he was going to step down from his position as chair. I believe he had informed the minister some weeks and months before, but he had not told anybody else. I was surprised and disappointed by it, because Tim Reid, as chair, was a significant part of my joining that board.

Mr. Tascona: But this happened after you were approved by the appointment process, that he made the decision to leave?

Mr. Gough: I think he'd made it before, but he hadn't communicated it to anybody on the board prior to that time.

Mr. Tascona: Who approached you to fill the chair position?

Mr. Gough: I received a call from one of the minister's assistants indicating that I was on a short list of possible candidates, and would I be interested in allowing my name to stand. I asked for several days to speak to people, including Tim Reid, the former chair, as to what was involved and his views as to my ability to take it on.

Mr. Tascona: Was that Minister Caplan's office?

Mr. Gough: It was Minister Caplan's executive assistant who phoned me to say, "Are you interested in having your name stand?"

Mr. Tascona: What's that person's name?

Mr. Gough: It was Craig MacLennan, who is here today.

Mr. Tascona: Okay. It's nice that you're going to be the part-time chair, I understand, of the Ontario Lottery and Gaming Corp. The government is moving pretty quickly on this one compared to the LCBO. Right now, the LCBO has been operating with an acting chair. I believe it's Philip Olsson who's the acting chair and CEO. You're here within months with respect to filling this position, and they haven't acted on that one. So it's good to see that we've got someone to deal with it who is going to be the chair on a fairly real-time basis.

Do you think the past few months have been sufficient time for you to familiarize yourself with becoming the chair?

Mr. Gough: There's a very good board orientation that I went through. I asked for a lot of background reading materials on issues that were of interest to me and that I thought would be prominent in terms of the activities of the corporation; I've had extensive meetings with Duncan Brown, who's the CEO, and with some of the senior staff; and I come to the post with some understanding of the gaming industry and the issues it faces.

But yes, to the extent that anyone feels ready to step into a position like this, I'm probably as prepared now—that's not to say that I won't continue to learn a great deal in the coming months in that position.

Mr. Tascona: The last time you were here, you touched on the issues facing border casinos, which would be Niagara Falls and Windsor, in terms of US travellers. I was wondering if you would be able to comment a bit further in light of recent developments surrounding travel documents?

Mr. Gough: With the two Niagara Falls casinos and Windsor, it's well known that more than 50% of our traffic comes from the United States. It's disconcerting to see the relatively lower number of US citizens who have travel documents or passports. But there's no question, with the Canadian dollar, which continues to appreciate, with security issues at the border, with huge competition with the three casinos in Detroit and with Seneca opening competitive casinos in Niagara Falls, New York—it's too early to tell whether smoking is an issue or not. It's only been out there for a week or so.

There are significant challenges in terms of our competitive position to deal with. What we're doing is co-operating with the tourism and development people across Ontario, particularly in Niagara Falls in terms of their efforts to have it dealt with. I was pleased to see that the First Ministers were able to impress on Mr. Harper the significance of the border crossing issue. I'm pleased to read that the technology and the preparedness to implement security documents going across the border look like they're going to be delayed until 2009, at this point, it's speculated. I don't know that there'll be an exemption, but I hope there'll be a travel document that's reasonably easy to obtain and that in three years' time, we will have taken steps to have a system adjusting to it.

Mr. Tascona: I was made aware on the weekend that Art Frank, who is responsible for running the Casino Rama operation, is going to be leaving and going down to run the Niagara casino operation, to perhaps deal with Niagara. Are there problems in Niagara in terms of how they're being operated?

Mr. Gough: You may be aware that a short while ago, the issue of whether we need two casinos was examined, and the board ultimately made a decision that we would keep Casino Niagara open for a period of two years. I think we want to see how we adjust to the issues of cross-border competition. A lot is going to happen with that market within two years' time.

Mr. Tascona: Why are you bringing in Art Frank to deal with that operation?

Mr. Gough: Because he's the guy who's capable. He's done an extraordinarily good job at Rama. He will be responsible for overseeing both of those casinos, including Falls management. There are issues. We would like to have seen Falls management move rather more promptly on some of the undertakings they've given to us. It's functioning on target and on budget right now, but he's a very capable operator and those casinos have been without a CEO for a period of some months.

Mr. Tascona: So what are going to be his main objectives to achieve?

Mr. Gough: To make both of those casinos as competitive as possible in light of the challenges and headwinds he faces from the US side of the border and currency-related issues.

Mr. Tascona: Recently, a new lottery was introduced that will provide new funding for athletes. The lottery is going to be available again during the summer. Do you believe that this lottery should be made permanent and, if so, what impact do you believe it will have on the money now being made available to the Trillium grant program?

Mr. Gough: Earmarking revenue is a government decision that, by and large, we're not consulted on. It appears appropriate in the circumstances. I'd hate to see all of the money earmarked at some point, but a one-shot one like that with, I think, \$13 million being earmarked, I think is appropriate. But it's government policy. It was a directive given to us and we've responded to it.

Mr. Tascona: The last time you were here, you testified, "I pick up tickets when Lotto 6/49 hits \$30 million, and I haven't won yet either," in response to Mr. Bisson. I understand it's going up to \$29 million this week. Do you feel lucky enough to buy some tickets, Mr. Gough?

Mr. Gough: I'm allowed to buy tickets, but there's an insider-win provision. A technician with OLGC recently won. The OPP investigated before there was any payout. I've got to tell you, no matter what the numbers are, the optics of a chairman winning a lottery aren't that good, so I'm not even going to try.

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The Chair: The floor is now yours, Mr. Bisson.

Mr. Gilles Bisson (Timmins—James Bay): I've got a number of questions, but I want to ask Larry something on research. Maybe you can look it up and give me an answer a little bit later. On page 2 or 3 of the document, as I look at that, total revenue from gaming, including casinos and lotteries, is about \$5.8 billion, and if I look at page 3, 2005 net income for the province of Ontario was \$1.9 billion. Why is there a discrepancy in the bottom number on page 2 at \$1.7 billion? I don't quite understand that. Can you explain it to me after?

Mr. Larry Johnston: Sure.

Mr. Bisson: All right. You don't have to do it right now, just bone up on your math.

The Chair: We have plenty of time.

Mr. Bisson: Yes. Okay, a couple of questions; a whole bunch of questions, actually. Welcome back. I haven't won the lottery yet and I'm not worried about the optics if I win. I promise to be very happy. But I've not won yet, so who knows?

A couple of things, in no particular order. You kind of answered it, but I look at the amount of revenue the province gets from casinos. As I was saying, if we look at gaming, which is lotteries plus all other forms of gaming, whether it's charity casinos or commercial casinos, there is a total revenue of about \$5.8 billion, of which about \$1.9 billion comes back to the province of Ontario. Some

of the money is earmarked for different initiatives. For example, the Trillium Foundation gets 100 million bucks etc. But problem gambling is at \$36 million and it's been there for some time, as I understand it. It's been like that for two or three years. Is it your sense, now that you've been on the board, that that is an issue that we, as legislators, need to address and put a little more effort into? I heard your comments: It's government policy. Your thoughts in regard to whether addictive gambling is becoming a big enough problem that we should be thinking about upping that?

Mr. Gough: The responsibility for implementing programs and funding problem gaming rests with the new Ministry of Health Promotion. Decisions as to spending had been with MOHLTC prior to that time. Anecdotally, people in the field tell me that it's not clear that they're actually spending the whole amount—

Mr. Bisson: I didn't hear because of the phone ringing. Sorry?

Mr. Gough: Anecdotally, I'm hearing that they're not spending the full \$36 million, but it's a question that the government, I assume, from time to time, looks at and determines whether or not \$36 million is the right number.

Quite aside from that number, though, Mr. Bisson, we have taken a number of initiatives. In response to the Sadinski report, we've implemented a responsible gaming framework and policy. We continue to train and educate people on the floor. We continue to educate people who game on the symptoms of gaming. We monitor it closely and we have booklets to refer to them. We've signed an MOU with CAMH and with the Responsible Gambling Council that we'll co-operate on these initiatives, and we've put two new kiosks on the floor at Niagara Falls and Windsor to be right there to deal with people who think they might have—

Mr. Bisson: That's all well and good, but I guess my question is, anecdotally, are we seeing a levelling off of the problem, or is it getting worse, or is it getting better? With the initiatives that are in place now, what sort of—you guys must be tracking this in some way.

Mr. Gough: Yes. The numbers that I have that are most current are 2004 Statistics Canada numbers and they are markedly lower than the ones you see from the council, which does telephone polling. I'm quoting from our annual report, and this is part of a Stats Canada report on perspectives: Of the 7.2 million who gamed in Ontario in 2004, 0.6% were addicted to gaming, 2.1% were at moderate risk and 3.8% were at low risk of becoming addicted, according to Stats Canada. That adds up to about 6%. I have the feeling that that number is probably always going to be with us and that this corporation, in terms of its responsibility to deal with problem gaming, will always have to deal with it.

Mr. Bisson: So you don't have any anecdotal evidence to say it's better or worse or the same as it was, let's say, a year or two ago?

Mr. Gough: I wish I could say it was better, but I have no evidence to say that.

Mr. Bisson: Why wouldn't we track that? I'm just kind of curious. The best place to track it is obviously at the casino. Why would we not track that kind of information?

Mr. Gough: We may well track it and I just haven't seen—although it's an obvious sort of thing I would have been briefed on, but I haven't been. In the three months there, I've picked up an awful lot, but not all of it.

Mr. Bisson: You're going to be coming back to this committee, because I believe it's one of our selected agencies.

Mr. Gough: Yes. That's right.

Mr. Bisson: I would appreciate, before you come back, getting a little bit more information on that.

Mr. Gough: Yes.

Mr. Bisson: The next question is native gaming. You know that there's a move afoot to change the arrangement with Casino Rama to a new arrangement. I'm wondering if you could speak to that a little bit, where things are at?

Mr. Gough: The agreement that was reached through former Premier Peterson in a memorandum of understanding that was signed will give, in 2011, the Ontario federation of natives—it's a limited partnership—1.6% of the gross gaming revenues. What that does is—the dispute is between 134 bands and the sharing with Mnjikaning—it takes that off the table. They are now aligned—they're not tied to Rama and how well it does; they're tied to a system of casinos and charity casinos province-wide, doing well in terms of the 1.6%. It's a more flexible arrangement. It will lead to greater co-operation with them, I think. They will have a board member come on the board of the OLG once the definitive agreement is signed. The definitive agreement is to be signed by December 31 of this year, and there are incentives to encourage them to do that. I am advised that negotiations are proceeding, and we expect to have that agreement signed.

It ended the piece of litigation dealing with the 20% win contribution that was at issue. It has not affected the litigation between the Mnjikaning and the other 134—

Mr. Bisson: And that continues, as we well know.

Mr. Gough: That continues. OLG remains a party, and we couldn't have been dismissed on it because we're holding \$90 million to \$100 million that's in dispute. The court will ultimately order us as to the disposition of those funds.

Mr. Bisson: I'd like to get an answer to the question I asked the researcher earlier, if you have it, in regard to the difference between the \$1.9 billion and \$1.7 billion.

Mr. Johnston: I think the difference there, Mr. Bisson, is that table 4, which you're referring to, on page 3, follows a pattern that was in the OLG's annual reports several years ago of listing a contribution to the province which was their net revenue plus the win tax, and subtracting from that the contribution to the First Nations. That's what is carried here in 2005. So the net revenue for OLG is \$1.7 billion, the win tax is \$343 million, and then the net distribution to the First Nations.

Mr. Bisson: So the money doesn't flow directly from OLG; it goes to the province, then—I always thought it flowed from OLG back to the First Nations.

Mr. Johnston: Yes.

Mr. Bisson: It does, right? I thought you were saying the opposite. Okay, that's all I've got.

The Chair: Mr. Bisson, thank you very much. Mr. Johnston, thank you for pitching in there. The government side?

Mr. Parsons: No questions.

The Chair: No questions on the government side. Okay.

Mr. Gough, thanks very much. You keep saying "OLG" and I've been saying "OLGC."

Mr. Gough: We're in the midst of transitioning in terms of brand. I think on July 1 it will become—it will still have a triangle, but it will be OLG on it, and I don't think there will be stars around it. I'm not sure what kind of rollout is intended around it, but OLGC never seemed to trip off people's lips. We're trying to make it a little more accessible.

The Chair: So you're not becoming an anti-C agency?

Mr. Gough: No, there's no secret agenda here.

The Chair: I'm correct, though; it's still technically the Ontario Lottery and Gaming Corp.; it's just the image that's changing?

Mr. Gough: It is, and its corporate name will remain that way. For identification purposes, the trademark and trade name will be OLG.

The Chair: Mr. Gough, thank you very much. Thank you for your presentation and your return. I invite you to stick around for our concurrence votes, which will transpire in 30 seconds.

We will now move to our concurrence votes in the order in which they appeared before the committee.

We will now consider the intended appointment of Michael Gough, the intended appointee as chair of the Ontario Lottery and Gaming Corp. board of directors.

Mr. Parsons: I've been practising. I would move concurrence, Chair.

The Chair: Very well done. Mr. Parsons moves concurrence. Is there any discussion or debate? Seeing none, I will put the question.

All those in favour? Opposed? It is carried.

Mr. Gough, congratulations and best wishes as the new chair of the Ontario Lottery and Gaming Corp. I was pleased to hear you talk about Niagara, being a Niagara boy myself. Keep an eye out for those casinos in Niagara Falls and the Fort Erie racetrack slots. Best wishes to you, and thank you for coming back before the committee.

We have now concluded our intended appointees.

COMMITTEE BUSINESS

The Chair: I'm going to revert back to our agenda. Monsieur Bisson has kindly brought forward his two decisions on behalf of the third party for review, which

are Hydro One and Ontario Power Generation, OPG. Mr. Bisson, Hydro One is the first? Do you have a preference?

Mr. Bisson: Yes, that would be fine.

The Chair: Hydro One?

Mr. Bisson: Yes, Hydro One; OPG second.

The Chair: Perfect. Thank you. So now we have concluded our full slate of agencies to review. I remind members that we're looking to do the first batch in September. I'm going to have the clerk contact members of the subcommittee so we can try to finalize those dates. The researcher did point out that we'll probably have to include some time in that to do the report writing, as well as the interviews and such. So we'll try to arrange a time to conclude that, because we'll need a motion in the House before we rise so that the committee can sit in the intersession.

Mr. Parsons: On that topic, it's some months away now, but I'm wondering what the next steps are between now and September.

The Chair: For us technically, as a committee, we'll need a motion through the House to grant us permission to sit. We will settle on the dates. We've received some input on the questionnaire, which the clerk and I will then finalize to send to the three agencies who first begin. They will respond to that questionnaire, and then that information will be distributed to the members.

As well, as part of that process, we'll communicate with groups that may want to appear as well before the committee to discuss a particular agency. Then, through the subcommittee, I'd suggest we would determine which of those groups would be allocated time to have their advice heard by the committee. As I said, at the subcommittee I think we can settle some of these details on the exact timing and such.

Mr. Parsons: That's fine.

The Chair: Super. Any other points on this?

Ms. Monique M. Smith (Nipissing): Have we determined how many days we'll be sitting?

The Chair: I think we have to finalize the exact number, because one thing that Larry pointed out, rightly so, is, how many additional days for sitting and report writing? I think we had basically agreed how each day is going to be structured for the actual agencies to be before us, but for the report writing, we'll have to figure out how much time that's going to take.

I hope that next week we can meet at subcommittee and just finalize those details. It does appear that the House will sit until June 22 or so, but that always may change. So I prefer to get that finalized next week.

Mr. Tascona: So we don't have anyone scheduled to review for next week?

The Chair: Let me get to that point, too. We do not currently have anyone selected to appear before the committee at the next meeting, which would be the 14th. We do, however, have one scheduled for 21st.

Interjection.

The Chair: Okay. If a new certificate comes out and there is a selection by any of the committee members for the next certificate, that would be scheduled for June 21.

Interjection.

The Clerk of the Committee (Ms. Tonia Granum): The deadline is tomorrow.

The Chair: The June 2 certificate would be normally scheduled for the 21st. So to answer your question most directly, we do not currently have anybody scheduled for next Wednesday, the 14th. I do, however, recommend that members keep that open in their schedule, because if, for some reason, there's a House leader agreement to close the House early, we may need to have it at that point in time, as opposed to the 21st.

Mr. Tascona: Mr. Chairman, on the subcommittee, do you have a proposed date that we're looking at that?

The Chair: Last time we met, didn't we have Tuesday, just before the House at 1:30, I believe?

Mr. Tascona: Yes. That would work with me.

Mr. Parsons: That would be fine. So next Tuesday?

The Chair: Okay. So we will aim for next Tuesday at 1 p.m. I think we can get it all wrapped up within half an hour, hopefully.

Mr. Bisson: For the subcommittee, 1 p.m.?

The Chair: Yes. We'll confirm, but it seemed to work well in the past.

Is there any other business to attend to? Members will have received, through Carrie Hull, the research officer, the response to Mr. Tascona's question from the May 31 meeting with respect to the members of the Ontario Labour Relations Board. You should all have that in your packages.

Seeing no other business, folks, we are adjourned tentatively for June 14.

The committee adjourned at 1134.

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Tuesday 5 September 2006

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Standing committee on government agencies

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GOVERNMENT AGENCIESCOMITÉ PERMANENT DES
ORGANISMES GOUVERNEMENTAUX

Tuesday 5 September 2006

Mardi 5 septembre 2006

The committee met at 1003 in room 151.

SUBCOMMITTEE REPORT

The Chair (Mr. Tim Hudak): Good morning, ladies and gentlemen. The standing committee on government agencies for Tuesday, September 5, 2006, is now in session. Welcome back, members of the committee. It's good to see everybody again, although on my left side they don't seem so excited to see me.

Mr. Brad Duguid (Scarborough Centre): They never are.

The Chair: Thank you very much. I understand that M. Bisson is joining us as we speak, so his timing is perfect as always.

Folks, just to give some overview for today's session, first, I'd like to welcome members of the Liquor Control Board of Ontario. We'll get to that momentarily, but thank you for being here on time—early, as a matter of fact—for our committee. We have some ordinary business to take care of first, so why don't we proceed with that. Our first order of business is the report of the subcommittee on agency review.

Mr. Ernie Parsons (Prince Edward–Hastings): I guess I'm moving something first.

The Chair: Mr. Parsons moves its adoption. Do we need him to read it into the record?

Mr. Parsons: Yes.

The Chair: Please go ahead, sir.

Mr. Parsons: Your subcommittee met on Tuesday, June 13, 2006, to consider the method of proceeding with the review of agencies, boards and commissions and agreed to the following:

(1) That the committee meet on September 5, 6 and 7, 2006, to conduct its review of agencies, subject to change and scheduling availability.

(2) That the research officer prepare background papers on each agency selected prior to review by the committee and that the research officer prepare summaries of the hearings prior to report writing by the committee.

(3) That each caucus provide the clerk by June 30, 2006, with a list of two stakeholder groups per agency review they wish to invite to appear before the committee.

(4) That the committee meet on September 27, 2006, for the purpose of report writing and that the committee

meet during its regularly scheduled meeting time as needed to continue its report writing subject to change and scheduling availability.

(5) That the committee prepare and present a report to the House on each agency reviewed.

(6) That the clerk of the committee, in consultation with the Chair, be authorized prior to the passage of the report of the subcommittee to commence making any preliminary arrangements necessary to facilitate the committee's proceedings.

The Chair: Thank you, Mr. Parsons. Any discussion or debate on said motion? Seeing none, all of those in favour of its adoption? Opposed, if any? It is carried. Thank you. That is all we need to do for the time being on ordinary business.

AGENCY REVIEW

The Chair: Just a quick overview and then I'll have Mr. Olsson begin comments on behalf of the LCBO.

Folks, this is the first time that this committee has done an agency review in probably about a decade's time, so I'm pleased that members of all three caucuses were able to get together to agree to a format for reviving this process, which is at the core of this committee's business, not simply reviewing intended appointees to various agencies, boards and commissions, but also offering constructive advice to the ministers and the Legislative Assembly as to where these groups should go in the future in the committee's opinion.

We start with the LCBO today, then the Ontario Lottery and Gaming Corp. tomorrow and Hydro One on Wednesday, which as members know will be back here at the Legislative Assembly.

We'll follow the following format: The LCBO will make an opening presentation, and we thought it best to maximize discussion by then opening the floor to questions and comments.

The LCBO is the government's request to come before the committee, therefore government members will begin the rotation and we'll divide up the remaining time after the presentation into 15-minute blocks when we will conclude at noon for our lunch break. We'll follow the normal rotation in 15-minute blocks following the LCBO's presentation. Then after the break, we'll move on to our requested guests to comment on the LCBO. They'll each make a brief presentation and we will

follow the normal rotation process, dividing up whatever time is left over in the half-hour block equally among the three caucuses.

Again, I will start the afternoon session with the government members. For the OLG it will be the official opposition who would begin questioning, and Hydro One will begin with the third party, reflecting the request of the various caucuses.

Folks, I think we know at the end of the day what our intent is, which is to file a report to the Legislative Assembly. Of course, the responsible ministers will as well get copies of these reports. I think in the past what has happened—and I would like to try to replicate that process—is that we would send a report as a whole committee. The committee may choose to review the agency in a broad manner or they may choose to focus on a particular aspect of that agency. It is possible that there may be several reports, if opposition parties choose to do a minority report, for example, or if members—that's presuming a vote would happen a certain way. My preference at the end of the day is for one report to go forward, I think reflecting how this process had worked some time ago.

Ms. Monique M. Smith (Nipissing): Just on the drafting of the report, are we going to have an opportunity to review a draft and discuss it before it's finalized, or what is the drafting procedure?

The Chair: Yes, absolutely. I'll ask the clerk if she could reflect on where we go forward on the drafting side.

The Clerk of the Committee (Ms. Tonia Grannum): We had agreed to meet on September 27. I think at that time research may have something that's before the committee to go through. If it takes more meetings, we'll just keep coming back and doing the report writing and trying to finalize something that everybody likes.

The Chair: It's the first go in some time, so the process may not be perfect the first time around. We'll sharpen up any necessary areas for our February session, but I think it should be very interesting.

Of course, I'll say to our visitors, those watching at home and committee members that this committee has a reputation for conducting themselves with exemplary decorum, which we will continue as part of this process.

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Mr. Duguid: You're looking at me.

The Chair: Yes, Duguid is new to the committee. He's been subbed in, so it makes me a little nervous. I'm going to keep an eye on the fellow next to—

Interjection.

The Chair: Okay, Parsons has him under control.

But I think we've established an excellent decorum here at the committee which will continue in the time ahead, especially for this new aspect of the committee, or this renewed aspect to the committee's mandate.

LIQUOR CONTROL BOARD OF ONTARIO

The Chair: So with those long opening comments, Mr. Olsson, welcome. Nice to see you again, sir, and your colleagues from the Liquor Control Board of Ontario. Kindly introduce those with you there at the front bench who will be responding to any questions and then please open up with your remarks.

Mr. Philip Olsson: Thank you, Mr. Hudak, and good morning to the committee. We're pleased to have this opportunity to present information concerning the LCBO. We're particularly pleased to be the first agency you've called as part of this agency review process, and we look forward to your questions.

I will introduce the members of the LCBO team with me today. On my immediate right, to my left as you look at me, is our president and chief operating officer, Bob Peter, and next to Mr. Peter is our senior vice-president, finance and administration, and chief financial officer, Alex Browning. Seated next to me on my left, right as you look at me, our vice-president, merchandising, Tamara Burns, and our director of policy, Patrick Ford. Other members of our team are in the room, including Mary Fitzpatrick, our general counsel, should additional information be required to respond to your questions. I will direct the questions to the appropriate person as we proceed through.

As you know, when Andy Brandt retired in February 2006, I was vice-chairman at that time and I assumed the role of acting chair and CEO pursuant to the Liquor Control Act.

When I joined the LCBO board as vice-chair in June 2004, following confirmation by this committee, it was clear to me and other board members that there was an opportunity to modernize the governance structure of the LCBO to make it more consistent with best practices. Under the guidance of the LCBO's audit and governance review committee, the board undertook a comprehensive study of corporate governance at the LCBO in comparison to other progressive private and public sector companies.

After considerable deliberation, the board reached some conclusions. Under the direction of Andy Brandt, the LCBO had evolved significantly from what it had been in the past. Many of us remember what the LCBO was: an organization where good customer service meant putting a bottle into a brown bag. What impresses LCBO customers today is what the LCBO has become: a progressive retailer where you can obtain expert advice on what VQA cabernet goes best with your Ontario rack of lamb. In short, the LCBO has become a trusted adviser and knowledge source, helping customers make informed choices.

But while service levels and staff became more knowledgeable, LCBO corporate governance did not keep pace. The board concluded that the LCBO had reached the point in its maturity at which a separation of the role of chair and CEO was needed to support a modern governance structure. Based on its analysis of

best practices, the board recommended that this and other measures designed to strengthen corporate governance and increase the effectiveness of management be shared with government in the form of a recommendation that certain amendments be made to the governing legislation. Government officials have welcomed our input on this important matter and we are currently considering the introduction of these measures in the form of amendments to Liquor Control Act.

Many of the questions submitted in advance of today's session by this committee focused on how the LCBO delivers on its customer service mandate. As a progressive retailer, this is the LCBO's principal focus. The continuing evolution of the LCBO has been guided by two core values: serving the Ontario public in a socially responsible manner, and being an innovative, dynamic and efficient retailer to take advantage of business opportunities, meet challenges and mitigate risk.

For LCBO store employees, delivering good customer service involves not only providing helpful and knowledgeable service and good product selection, but also preventing sales to minors and to adults who appear intoxicated. Vigilant service is a responsibility that LCBO employees consistently identify as the most important aspect of their job and greatest source of pride.

When I was appointed vice-chair of the LCBO, my experience with the organization was that of a customer. I was of course curious to learn more about how the organization functioned. Those of you who were present at my hearing may recall that I had to say in many instances, "I look forward to learning more about that," and I set about doing that.

As I became acting chair and CEO in February of this year following the retirement of Andy Brandt, Andy told me that all Ontarians have three jobs: first, their day job; second, coach and general manager of the Leafs—or, I hasten to add, the Senators; and third, CEO of the LCBO. While almost everyone has an opinion of the LCBO, I'm fortunate that I have the opportunity to express those opinions to the people running the business.

Candidly, before becoming vice-chair of the LCBO board, I suspected that the record profits I kept reading about might be reflecting the organization's special status and a buoyant economy rather than the capabilities of management and staff. I no longer hold this view.

What has impressed me the most is the focus on continuous improvement, a focus that defines the corporate culture at the LCBO. This striving for excellence in every aspect of operations has been nurtured successfully by Bob Peter, and before him Larry Gee, the former executive vice-president, and of course by Andy Brandt over 15 successful years.

Not all organizations keep pace with the times and their customers' changing expectations. The business pages are full of stories of companies that have failed to remain relevant in a changing marketplace. Not so the LCBO. By embracing change and implementing improvements effectively, the LCBO has over the past 15 years transformed itself from a monolithic government

agency into a well-respected and award-winning retailer, twice named Innovative Retailer of the Year by the Retail Council of Canada, to name but one of many awards.

I think it's fair to say that few public or private enterprises have transformed themselves so successfully or completely as the LCBO. Management continues to focus on making operations even more customer-focused, effective and cost-efficient while also contributing to the success of Ontario's domestic beverage alcohol industries, promoting responsible drinking and discouraging high-risk activities such as drinking and driving.

The LCBO is now frequently cited as a leading exponent of retailing in areas such as supply chain, marketing, consumer research, staff development and store design. We frequently have delegates from other countries as well as other jurisdictions in North America visit the LCBO to see how we do it.

Five-year strategic plans and rigorously benchmarked performance against these and other plans have enabled the LCBO to better anticipate, understand and respond to forces shaping Ontario's beverage alcohol marketplace. Successful implementation of these plans has also enabled the LCBO to not only meet but exceed its financial goals, reflected in 11 consecutive years of record dividend transfers, while also adding value to the shopping experience. This is evidenced by consistently high levels of customer satisfaction measured through annual independent studies.

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In fiscal 2005-06, the LCBO dividend was an all-time high of \$1.2 billion, 7.6% above the previous year. This kind of fiscal performance does not just happen without good planning, careful management of expenses and resources and visionary leadership. I can say this from personal experience. Through my 29-year career in finance as an investment banker and professional investor, I have gained considerable experience in assessing the strategic discipline and business performance of a great many Canadian companies. Now that I am thoroughly familiar with the LCBO, I am prepared to say that, based on my experience, it is in fact one of the best-managed companies in Canada.

The Chair: Mr. Olsson, if we had not communicated this to you, we're asking for brief introductory comments of five minutes. If we didn't make that clear, I do apologize. Are you getting close to the conclusion of your remarks?

Mr. Olsson: I am three quarters of the way through. May I continue?

The Chair: Okay, go ahead.

Mr. Gilles Bisson (Timmins-James Bay): As long as we offer the same courtesy to other groups.

The Chair: We had specified, I believe, that it would be—

Interjection.

The Chair: Yes, it was in an initial letter that we sent out just asking for five minutes, just to maximize the exchange between committee members and those presenting.

Mr. Olsson: I'm afraid I often speak too slowly, sir.

Ms. Smith: We'll give up some of our question time so that he can complete it.

The Chair: Okay, we'll settle it that way. We'll make clear with the other two committees that it's a five-minute limit, and then what we'll do is just eat into the government's question time to allow Mr. Olsson to continue.

Mr. Olsson: Okay. My apologies, Mr. Chair.

I believe any well-considered and fair third-party evaluation of the LCBO would conclude that it does a good job of balancing its complex and at times conflicting mandates. These mandates require it to be both a profitable and customer-focused retailer, marketer of products and promoter of social responsibility, provider of international product selection and champion of the Ontario wine, spirits and beer industries. All these goals must be achieved while simultaneously supporting the policies of the government in office. When one considers this mix of responsibilities, the organization's financial performance is all the more noteworthy.

The LCBO is an important and valuable public asset, and the government and taxpayers understandably want assurances it is being well governed. We welcome your review. The board is responsible for ensuring the organization acts in the best interests of the people of Ontario. This includes striking the correct balance between fiscal and social goals. As acting chair and CEO, I take this responsibility very seriously, as do the other members of the board. Working with the government, we've recruited a skilled and experienced board, whose members bring an impressive range of talents to this important task.

Other questions the committee has asked relate to the numerous reviews of the LCBO in recent years. While time does not permit me to go into detail about the 12 reviews that have been conducted since 1987, two of the most recent, and in some ways significant, were the beverage alcohol system review and the Deloitte operational study, both conducted in 2005. The outcomes of these two studies are well known, and both reports support the view that the LCBO is a well-managed company.

As Finance Minister Greg Sorbara remarked at the time of the tabling of the BASR report, "It is our very strong view that the public interest of Ontarians is best served by the continued public ownership of the LCBO." The government's decision to maintain this role is viewed by the LCBO board, management and staff not as an endorsement of the status quo, but rather as a call to further improve service for our customers, generate greater value for taxpayers and do even more to promote Ontario products, all in a socially and environmentally responsible manner.

The LCBO fully recognizes that we have an overriding obligation to the government and people of Ontario for complete transparency and accountability in all our operations. We stand ready to support the government, to help it achieve its fiscal and other policy objectives, and to benefit from sound recommendations for

improvement from this committee and from other reviews.

Thank you again for the opportunity to address the committee. Again, my apologies for overrunning my time. Along with the members of the LCBO management present, I look forward to answering questions.

The Chair: Outstanding. Thank you very much, Mr. Olsson. Let me also say—I neglected to at the beginning—thank you to you and your team for the information that you provided to committee members. It was a relatively extensive survey, so we thank the entire team for their contributions to our 10-pound binder.

Mr. Olsson: We have the benefit of 12 reviews, as I've said.

The Chair: Thank you very much. We'll begin with the government side. Ms. Smith.

Ms. Smith: Thank you, Mr. Olsson, and to your team, for being here.

I wanted to talk briefly about your mandate to promote responsible drinking and to prevent drinking and driving and other high-risk activities. You talked about the vigilant service mentality that your employees have and the focus that you've put on this particular area. I was wondering if you could elaborate for us on some of the activities and partnerships that the LCBO has developed.

Mr. Olsson: We are indeed very proud of that. I think it would be appropriate to ask Patrick Ford if he could give a brief summary.

Mr. Patrick Ford: To start, I'd like to clarify that we know that the vast majority of our customers do consume beverage alcohol responsibly, but given the attendant problems that can occur, we have developed, as you point out, numerous partnerships over the years to develop a comprehensive range of programs to address socially responsible sales concerns and to reduce the likelihood of drinking and driving occurrences and consumption by minors.

The components of our strategy: It starts at the store level with a challenge and refusal program that's backed by extensive training of all of our staff that occurs on an annual basis, and it's mandatory. That resulted last year in 1.7 million of our customers being challenged either for proof of age or because they appeared intoxicated. That resulted in 112,000 of our customers not being provided with service, the vast majority of whom because they did not have the appropriate proof of legal age.

As well, a key component of our social responsibility mandate is achieved through advertising campaigns that are research-based. I'm sure committee members and others have seen television commercials that we've developed over the years in partnership with MADD Canada that target very specifically reducing drinking and driving. Our current campaign has just recently been on the air. Research from those campaigns has demonstrated to us that they do have an effect on viewers who are watching those commercials. Consistently, over three quarters of those who are surveyed after watching those commercials have commented that it would increase the likelihood that they would exercise greater care with

respect to circumstances involving drinking and driving and to avoiding those circumstances.

Another key component of our social responsibility mandate is our promotional programs. Through our various marketing efforts and initiatives, we, in partnership with social responsibility partners and the public health community as well, have developed numerous programs to provide our customers with tools and helpful ideas for how to avoid problems, whether it's mocktail guides, how to produce drinks at entertainment events that are non-beverage-alcohol-based, or what we call our Good Host Kit, something that will enable our customers to have a way in which to encourage people they are entertaining and guests at their house to stay overnight if they have consumed, rather than driving home.

A final key element that I wanted to flag is our educational programs, again working in partnership with groups such as MADD Canada and law enforcement agencies and others, that are designed to help particularly parents and educators in teaching children about responsible use of alcohol and preparing them for that later age in their life and for that.

Ms. Smith: Thank you.

The Chair: Ms. Mitchell.

Mrs. Carol Mitchell (Huron-Bruce): Mr. Olsson, I too want to thank you for bringing your team out and making the comprehensive presentation that you have, and also for the 10 pounds of paper. It really was very informative.

Part of what you talked about was the transformation and continuous improvement. I would like to give you the opportunity to expand on what the LCBO has done to make operations more efficient and more cost-effective.

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Mr. Olsson: Thank you, Mrs. Mitchell, for the opportunity to do that. I believe that Bob Peter, our president and chief operating officer, is only too anxious to tell you about some of his improvements in the LCBO.

Mr. Bob Peter: Good morning. There has been a huge transformation in the LCBO on many, many different fronts over the last 15 years: first, in customer service; upgrading of stores and marketing in the assortments that we offer to the consumers in Ontario; and in training of our staff. The latest one that we've been working on over the last four years has been supply chain, which has resulted in huge benefits to the organization and to the taxpayers of Ontario.

We've reduced inventory in the system by a substantial amount. We've gone from about 5.3 turns up to 7.6 turns. What that has meant is that we have reduced the net inventory by over \$100 million in the system. We've done that by ordering more frequently, delivering to the stores more frequently than we were in the past, by changing the way we do our assortments to a one-in, one-out basis, reducing the number of skews we carry that weren't performing. We put in new systems so that stores can order faster.

We've gone into a whole system of collaborative planning and forecasting, which we didn't do before.

That's where we work with suppliers in getting their forecast of what we anticipate a skew will sell, plus our own, and holding both people accountable on a score card as to the performance of the inventory.

We've also gone to an 18-month-out planning cycle for the promotions that we run. Suppliers know 18 months out what we're planning on doing, so they can plan their production and inventory to flow into that period of time.

We've done a number of things on the supply side that have made huge benefits to the organization. It has allowed easier handling of merchandise to our stores, because they come more frequently, so there are smaller loads flowing goods to the store.

There are many, many different things. We've done a fair bit of staff training on different programs. One is wonderful Ontario wines, helping our staff to be more confident in selling Ontario wine. We've also done a program on spirits advocates in stores, and we've also done a program on beer guys and gals. We know that when staff have more training they're more confident in selling the various products. We've also been working on upgrading our A and B store managers and their management skills. So there are a number of different facets that we're working on.

The Chair: Mr. Duguid?

Mr. Duguid: You mentioned in your opening statement the shopping experience. One of the things I've noticed as a customer is that there's no question that the shopping experience has really evolved over the last number of years, to the point where it is enjoyable to walk into an LCBO store and walk around. There are all kinds of things to see. I'm looking forward to the future. You've come a long way. What does the future hold in terms of improvements to the shopping experience?

Mr. Olsson: Perhaps, Mr. Peter, you would talk a bit about that.

Mr. Peter: On the customer service side, we're continuing to work on upgrading our staff on their skills, training and knowledge of the assortments. We're continuing to work on the assortments in our stores. We've seen quite an evolution in the last number of years of what we do sell in our stores. We're creating bigger vintage corners in a number of our stores and making them larger. Our assortment in beer is expanding, and the presentation of it. Our assortment in ready-to-drink has also been expanded quite dramatically.

On the store environment itself, we're building, where the market warrants it, larger stores with greater assortments in them. We're putting new elements in. We've built a number of stores with kitchens to allow people to take wine appreciation and cooking classes in the stores. We've put in a number of tasting bars, and we're increasing that area. We find that very effective. People love to learn about and discover the products.

There are a number of facets that are coming into the marketplace, but I guess more exciting stores, more exciting assortments. The assortments continue to change. We're in a fashion business in terms of what

sells in the LCBO. If you go back 10 years ago, the number one wine was white wine. Now it's red wine. It surpassed white wine. Ready-to-drinks continue to grow. What people buy in terms of upgrading and better products continue to go up. The price points appear to pay. So there's a lot of exploration going on in what people buy.

Mr. Duguid: Just to follow up on that, not too long ago, over the summer, I was in a store and the employee was sort of bragging about a new point-of-sale system that they had in place. I hadn't really noticed before, but it looked pretty impressive. It also looked pretty expensive. I'm just curious as to what this new point-of-sale system is and what it accomplishes and how it improves the service overall.

Mr. Alex Browning: I can comment a bit on the new point-of-sale system. Basically, in many respects, it allows us to actually serve the customer much more quickly. If you use a debit or credit card at the LCBO, there used to be a time when it would take anywhere between eight and 10 seconds for the transaction to go through. We have that down now to almost one second. So it gets the customer through the line. All our research indicates that the last thing the customer wants to do is spend a lot of time just standing in line.

It also has the ability to provide messaging on the cashier display, which is something new that some of the retailers have taken into account. We've now got them in place at the LCBO so we can actually use marketing information as well as social responsibility messaging. It also helps us to more efficiently manage our inventory. We've put radio-controlled devices in, so if we're doing inventory counts and product checks and price checks for the customer, we're able to do that much more quickly than we were in the past.

Also part of the system is a new sales audit system, which allows us to verify the financial information on a much more timely basis as well. So all that is part and parcel of this new system.

The Chair: Thank you very much. We will now go to the official opposition. Mr. Tascona.

Mr. Joseph N. Tascona (Barrie-Simcoe-Bradford): Thanks very much for coming here this morning. I really appreciate this.

I've got a question with respect to an area of your drinking responsibility program. On a fiscal-year basis, do you track the number of drinking and driving deaths and injuries?

Mr. Ford: I know that we do have access and we do review that information. I do not have that with me this morning, but that is information that we are aware of.

Mr. Tascona: Where do you get that information from?

Mr. Ford: I'm not certain at this stage, but we certainly could supply that.

Mr. Tascona: I'd be interested if you could supply that information, if you do track on a fiscal-year basis the drinking and driving deaths and injuries; also boating and

drinking deaths and injuries. Do you track that for boating?

Mr. Ford: I believe we do. I have not myself seen those figures in recent years, but I can certainly confirm and supply that information to the clerk.

Mr. Olsson: We don't actually track them; we acquire them from law enforcement agencies. But we'll be quite happy to respond to that.

Mr. Tascona: With respect to alcohol-related deaths like cirrhosis of the liver, other things that are the result of drinking, do you track that information, or do you acquire it from someone else?

Mr. Ford: I'll give the same answer there as Mr. Olsson has provided, in that we do not actively collect that information, but there would be other agencies, I assume, particularly law enforcement or the Solicitor General's department, we would acquire that information from—and are aware of it.

Mr. Tascona: Are you aware of the cost to the OHIP system with respect to the drinking and driving, boating and drinking, and alcohol-related deaths as a result of alcohol? Do you track that, or do you get that information at all with respect to the cost to the OHIP system with respect to drinking?

Mr. Ford: There have been, over the years, numerous reports by public health agencies, by government etc. that have assessed for Canada, Ontario specifically, and internationally public health costs and related costs associated with issues with beverage alcohol. We certainly, in the design of our social responsibility programs, in our education for our staff and related outreach work that we do, incorporate that information into the work that we do.

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Mr. Tascona: With respect to your social drinking responsibility program, what's your measure of whether it's working or not? Do you keep statistics in terms of whether drinking and driving is going down, boating and alcohol, and health-related deaths? Do you track that? How do you measure whether your social responsibility program is in fact effective?

Mr. Ford: One simple and key measure, as I mentioned earlier, was with respect to the frequency with which we challenge and refuse service on the basis of the appearance of intoxication or, as I mentioned before, the individual being under-aged.

Mr. Tascona: No, that's not the focus of the question. The question is related to drinking-and-driving deaths and injuries, drinking-and-boating deaths and injuries, alcohol-related health deaths—that information. Do you track that, in terms of your program, as to whether those in fact are going down or going up? Do you track that?

Mr. Ford: My apologies for misunderstanding the question. In our partnerships, particularly with MADD Canada and other social responsibility and public health agencies, that would be a routine part of a review of materials as we're designing new materials and so on. I personally am not aware of the specific trend at this stage of the game, although we have seen those numbers

before and we'd be happy to provide those as well to the committee.

Mr. Tascona: I think it's fair to say, if you would agree, that really the measure of the effectiveness of the social responsibility program is if in fact those particular categories were going down. Would you agree with me?

Mr. Ford: Certainly. And I think, in combination with the range of other programs with law enforcement agencies and so on, that would be a key part of ensuring the effectiveness, that RIDE programs and so on are all informed by those facts.

Mr. Tascona: Thanks very much. Now, with respect to Mr. Olsson, what are your responsibilities as chair and CEO in running a \$3-billion business?

Mr. Olsson: Well, under the act, as you know, when Mr. Brandt retired, the vice-chair assumed the role of acting chair and CEO. I think it's important to reflect on Mr. Brandt's contribution over the 15-year period that—

Mr. Tabuns: No, I'm asking you, Mr. Olsson. You're the part-time acting chair and CEO of a \$3-billion business. What are you doing on a day-to-day basis and how many hours a week do you put into your job?

Mr. Olsson: It's important in the context to say that as the role has evolved, it is now timely to split the two, and as I said in my opening remarks, we believe—and the government has accepted our advice—that it's timely to go to the model which is generally used in corporate Canada, and for that matter in almost all agencies of which we're aware, of splitting the role into non-executive chair and CEO. So that role will change, and that is a result of the progress that Mr. Brandt made in modernizing the LCBO over the last—

Mr. Tascona: But when is that role going to change? Right now you've said you're the acting CEO and chair, so I presume you're doing something there. You've been there over six months, so what have you been doing there for the last six months in terms of your job, in terms of hours of work and what you're doing?

Mr. Olsson: Okay, I'll be quite specific about that. Number one, I'm available constantly for the LCBO, and I should say that I ended up working most of the day over the last three holiday days. I make myself available as required. I am always in the office at least one day a week, and in fact I would say I'm spending more time than a typical chair of any agency with which I'm involved. And as far as I'm concerned, the role has been executed perfectly.

Mr. Tascona: Okay, thank you. With respect to that split, you say that the government has accepted that. Is that correct?

Mr. Olsson: Well, they have acknowledged that they agree with our advice and—

Mr. Tascona: Who's "they"?

Mr. Olsson: We report to public infrastructure renewal, so our minister is—

Mr. Tascona: Minister Caplan.

Mr. Olsson: —Minister Caplan.

Mr. Tascona: Do you have any time frame when that split would occur?

Mr. Olsson: It would require legislation, and that is a government responsibility.

Mr. Tascona: With respect to the appointment of a full-time chair, do you have any idea when the full-time chair would be appointed? Do you have any idea how long you're going to be in the job?

Mr. Olsson: Well, actually, our advice is there would not be a full-time chair. It would be a non-executive chair.

Mr. Tascona: Okay. Do you know when that would be occurring?

Mr. Olsson: Presumably, if legislation were passed, at some point after its proclamation.

Mr. Tascona: Have you got any idea how long you are going to be doing what you're doing currently?

Mr. Olsson: I serve at the pleasure of the government. Certainly until legislation were to be passed, if that's the case.

Mr. Tascona: So we're looking at a non-executive chair and a CEO that would be an employee of the LCBO?

Mr. Olsson: That would be our recommendation.

Mr. Tascona: I want to ask you some questions on microbrewers. As I understand it, the LCBO has a strict policy on "turns." How quickly a product on the shelf sells makes it difficult for microbreweries to get listed and discourages store managers from trying to sell them. Why can't a special system for them be established?

Mr. Olsson: I'm going to direct that question to Tamara Burns, who's our vice-president of merchandising. I would also note that Ontario Craft Brewers have been called for this afternoon, so presumably they could add further material to this.

Ms. Tamara Burns: We do support, with programs, all sizes of brewers. As Mr. Olsson mentioned, we have several programs for Ontario craft brewers and, at this point, we work with 21 producers who are members of the Ontario Craft Brewers association. They direct-deliver to our stores and it is up to each small brewer how many stores they feel they can distribute to with the resources they have. Then we, through the beer category management team, work with that brewer to facilitate the matching of the brewery and stores. Then the district manager and the store manager take over to work with that small brewer and have successful sales of that product in their store.

We have 40 stores that have specific fixtures to high-light Ontario craft beer, and we really consider that the size of a brewery doesn't limit their possibility or their potential with the LCBO. It's really up to the amount of work and how large their infrastructure is, how many stores they wish to support with their distribution system.

Mr. Tascona: From what I understand, sales of imported beer were projected to increase by 11%. American beer sales were pegged at increasing by 2.3%. However, domestic beer sales were expected to decrease by 2.1% and had dropped by 4.6% the previous year. It would appear they're being crowded out of the market. What's the reason for this?

Ms. Burns: The market for beer is becoming polarized at both ends of the spectrum. So customers are really enjoying being able to have access to value beer, which has really taken off. As well, customers, because of increased product knowledge and I think through a lot of the great work that the craft brewers have done, are far more interested in regional products, higher end, more premium beers, beers that are perhaps a little bit more unique and offer different choices. So the market is really moving to both ends of the spectrum and creating a well in the middle where mainstream products are not as popular nor selling at the same rate as they have in the past.

Mr. Tascona: In other countries and jurisdictions they're allowed to sell wine and beer in grocery stores, for example. Is there any consideration to be doing that?

Mr. Olsson: To begin with, I think it's appropriate to say that the liquor distribution and retailing system we have in Ontario is predicated by the policy of governments going back to 1927 that the sale of alcohol needs to be controlled. It's viewed again by government that the LCBO has a key role to play in that. As you know, we're not the only retail outlet. There are of course Beer Stores, independent stand-alone wine stores and winery stores, as well as licensees. So any decision regarding distribution of alcohol outside the existing system would clearly be a government decision. I would say that the beverage alcohol system review last year was given a mandate to investigate that, and ultimately no changes were proposed, or at least no changes were accepted by the government in that regard. I must defer to our shareholder and minister and the government in that regard.

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Mr. Tascona: I understand there's no bottle return program in place. Can you tell me why?

Mr. Olsson: Patrick, I think I would let you speak a bit about that.

Mr. Ford: The LCBO's plan in our current operations for dealing with the return of bottles or the recycling of bottles is structured around a comprehensive environmental strategic plan. It's one that's consistent with the province's long-standing blue box program and it is based on that.

The other key fundamental for our program is that it's based on the three Rs hierarchy, which starts with "reduce," followed by "reuse" and "recycle." So much of our campaign for the past number of years has been focused on reducing the weight and size of beverage alcohol packages and trying to encourage our customers and our suppliers as well to utilize those products more.

A deposit-return system works quite effectively at the Beer Store, which has approximately 85% of the beer marketplace in terms of sales in Ontario. The key reason why it works effectively in that system is because the vast majority of what they sell is the brands that are in a standard industry-refillable bottle, principally by the Beer Store's shareholders, the brewers that run and own that system. So again, the vast majority of products are domestic and refillable.

By contrast, the majority of the products that we sell are import, in part due to the fact that the Beer Store sells so much domestic product. We have wines and spirits and beers coming from 70 countries around the world. To consider a deposit-return and refillable system when we've got products coming from Australia and France and Chile would not be viable or environmentally sound.

Ultimately, the decision with respect to the program that the LCBO operates for deposit-return is a matter for government consideration in the context of its broader waste management strategy. We look to the government for any guidance with respect to that. But for the time being, we are pursuing more of a "reduce"-based strategy.

Mr. Tascona: Thank you very much for your answers.

The Chair: I think, Mr. Tascona, following our protocol, that's a 15-minute block. You're welcome to come back to those questions on the next round. It's now to the third party, Monsieur Bisson.

Mr. Bisson: Just as a follow-up to that question, I understand the difficulty in trying to come to a standard-sized bottle for spirits or wines or whatever, but what I've never understood is why you don't even have a recycling facility—not a facility, but if I go back to the liquor store and I bring back my three empty bottles of wine that I drank over the last four weeks—no, no, last night—there's no place that I can bring it into the store, you throw it into the recycling bin and it goes back into glass. Not everybody—basically, you go out to the beach and you've got your bottles in the back of your truck or wherever the heck they might be. Why don't you have even a tie-in to the basic local municipal recycling system? That would be a no-brainer.

Mr. Olsson: I'm sorry, but we do, actually. Where there's a blue box program, we are in effect tied in. In fact, in single-family homes in Toronto, LCBO glass is 96% recovered.

Mr. Bisson: But what I'm saying is, why don't you provide a recycling box even at your outlets?

Mr. Olsson: Maybe I'm not understanding, but why would people bring it to the outlet when they can put it at their curbside?

Mr. Bisson: Because there are a lot of places where you may not have municipal recycling programs, if there is a small community, number one. The other issue is that it's handier. For example, where I have my cottage, the recycling only comes every two weeks, and then if you put something at the curbside, they don't pick it up. My neighbour next door, as an example—last Wednesday when the garbage came by, they didn't pick up the paper. Why the recycling people would not pick up the paper, I don't know. The week before that, it was the bottles. So it would be a lot easier for a lot of people just to throw them in the back of the vehicle the next time they go shopping at one of your stores.

Mr. Olsson: Well, those are certainly interesting points you've made. I'm not sure that the issue is what is in our purview to do and what is not. Patrick?

Mr. Ford: Our strategy has focused on supporting existing municipal infrastructure in the blue box programs that exist province-wide, and for matters also associated with efficiency and avoiding redundancies, we've tried to put the focus on supporting that system. We have been a long-standing supporter financially of the blue box system and over the past seven years have contributed \$35 million to municipalities directly so that they can finance their blue box operations.

Mr. Bisson: I understand that most of it ends up in the municipal recycling stream. My question is, why don't we at least provide a recycling box at the local store? If I choose to bring my wine bottles or my spirit bottles to the store, the LCBO outlet, and you've got a recycling box that I can throw them into, it might entice a higher degree of recycling. That's all I'm asking.

Mr. Ford: Certainly, again, our emphasis has been to try to support the existing infrastructure rather than creating a duplicate and costs.

Mr. Bisson: I hear you, but why not put a blue box at the store? That's all I'm asking.

Mr. Olsson: I think we can agree to look into that.

Mr. Bisson: Thank you. That's all I'm asking.

I was looking at our research document here, and unfortunately you may not have a copy. Do they have a copy of this, Chair?

Mr. Olsson: We do not.

Mr. Bisson: They don't. Could you give them just page 5. This would be for your finance person. I think it's you, right? Hey, I got it right: Bob Peter.

Mr. Browning: Alex Browning.

Mr. Bisson: Oh, sorry. I got you the other way around. Sorry, Alex.

If you go to page 5, there's a list there, the 2000-01 to 2005-06 income statements from the LCBO. If you go down to the sixth block—I need a bit of an explanation here—there's "Finance and Administration Division," and then "Chairman, President, Security, Planning." If I read those numbers correctly, last year we spent \$2.8 million on that particular line. I'm just wondering, what the heck did we spend \$2.8 million on? Is that salary and the office, or what? "Chairman, President, Security, Planning": \$2.8 million.

Mr. Browning: It's a combination of expenses. A large part of it, though, is the cost of servicing the stores as far as putting investigations into stores around issues of violence or anything like that. So we have a security force, a loss prevention group which represents security. That's not head office security; that's the loss prevention group that goes out and does investigations around that. They are included also in that cost.

Mr. Bisson: And the planning would all be part of that?

Mr. Browning: The planning is just two people. The strategic planning group does our tactical business planning on an annual basis, and then every five years does our five-year plan as well.

Mr. Bisson: And then the line—go ahead, please. I'm going to come back to the security issue in a minute.

"Finance and Administration Division": \$15 million. That's the big office down here?

Mr. Browning: Yes. Basically, that represents two groups, though. In fact, what that also represents is our supply chain group. I have responsibility for the supply chain group, which got started in the year 2000, and basically that has represented the biggest increase to that line over the last five years.

Mr. Bisson: Can you provide us with a little bit of detail in regard to this? Do you have a financial—it's probably in my stuff. Do you have a breakdown of that in any way? I don't need itemized who gets what, just the lines. How much is security and how much—

Mr. Browning: I can get you that. I don't have it here with me, but I certainly can provide that.

Mr. Bisson: And the last question is—I always love these—"Other Corporate Programs": \$2.2 million. What is "other"?

Mr. Browning: Other corporate programs would be HR programs, issues like that. Some things where we may be doing some, I guess, review or investigation of opportunities we may have within the head office facility all fall under these "other" programs or one-offs.

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Mr. Bisson: Is there a lot of theft, like people walking out with bottles? I'm just curious. Somebody grabs a bottle and walks out with it?

Mr. Peter: We have probably the lowest shrink rate of any retailer.

Mr. Bisson: And you're not going to tell us your secret, right?

Mr. Peter: The way the stores are designed there is some theft, but our shrink rate this past year is the lowest it has been in years. It's under \$5 million.

Mr. Bisson: For total sales of—

Mr. Peter: Nearly \$4 billion—\$3.8 billion.

Mr. Bisson: The other thing is—and I don't remember reading this anywhere—break-ins in the LCBO are not something you hear a lot of.

Mr. Peter: We do have some.

Mr. Bisson: But when they're stealing, they're not going for the cash; they're going for the booze, I take it.

Mr. Peter: They're people who need a fix.

Mr. Bisson: Is that a problem? I'm just curious.

Mr. Peter: They go in rashes, the break-ins. Some are in the city. People break a window and go in and grab 10 bottles. Sometimes they drive a truck right through. In St. Catharines they drove a truck right through the front door and took all the rum.

Mr. Bisson: Go big or go home.

Mr. Peter: Usually you need some kind of vehicle to go very far in.

Mr. Bisson: I would ask you to look into something. This is a separate issue here. As you know, there are a number of dry communities in northwestern and northeastern Ontario. You'll have stores in places like Red Lake, Moosonee and a few others, and we know there are a lot of reserves that are dry, where the band councils and the Nishnawbe-Aski Police Service actively try to catch

the bootleggers. But everybody knows who they are, including the people who sell the alcohol, and it seems to me that there's got to be better co-operation between the LCBO and the NAPS, the OPP and the rest. What are you doing at that end? It's a huge problem in some communities.

Mr. Olsson: We're very aware of it and there have been a number of meetings and discussions on it. Patrick Ford can give you some detail.

Mr. Ford: You mentioned the Nishnawbe-Aski Police Service. We've actually commenced a committee over the past number of months that we co-chair with Chief Paul Trivett of NAPS. We'll be doing a tour of the north this fall as part of our investigative component of the issue. But there's no doubt that this is an issue, that there are products that are sold through our stores, and possibly from other sources as well, that are being bootlegged on to dry reserves, with serious negative consequences. So we are working co-operatively with NAPS and with the OPP to come up with solutions. You have to forgive me in that we don't have a specific solution for this frankly long-standing problem, yet at this stage of the game we're doing a legislative review as well, looking at what kinds of legal instruments we could pursue to enhance enforcement, potentially, but also to try to curtail supply in those kinds of circumstances.

Mr. Bisson: So you're actively working with Paul Trivett.

Let me just explain something very quickly, and I'll get onto some other questions. There are dry reserves and there are wet reserves. I'm a fan of wet reserves. I think dry reserves are a disaster, because what happens is that people binge. Once the booze comes in, you've got to have it and you've got to have it now, and you have to have lots. It's a real problem in a number of communities. It really makes those communities fall back to a pretty sad state at times. You go into a community like Peawanuck, for example, that is wet, and it's not an issue. You don't see the level of vandalism, you don't see the problems you'll see in some of the other communities, and I believe one of the reasons for that is that over the years people, like everybody else, drink responsibly. The odd person, as in every community, has a drinking problem, but that's not a native issue; that's an issue in society overall. What strikes me is that as I go into the communities that are the dry reserves, community members—elders, band chiefs, band members, members on council—will tell me, "We know who these people are." They know, when these people walk into the liquor store, who they are.

Why in heck are we selling these people large amounts of booze? It's one thing for the bootlegger to walk in and say, "I want two bottles of Crown Royal," but if you drive up in a pickup truck, it should be a pretty good indication that it's not for local or personal consumption. I would suggest that when you're touring, park yourselves incognito in front of some of these stores in those northern communities and you'll be surprised at what you'll see. In some cases the OPP is right next door to the store. So certainly to God there's got to be some

way of connecting the staff at the LCBO. I understand from freedom of information and all of that stuff that you can't refuse somebody a sale, but certainly there's got to be tip line or something so that we can talk to each other about so-and-so having been in and buying a pickup load of booze, or five cases or whatever. Anyway, I'll just leave it at that. I'd ask you to pass that on to my friend Paul.

Mr. Olsson: One thing I believe that we could do, Patrick, is we could also make a point of consulting the MPPs from these areas, because clearly you have a lot of experience in this.

Mr. Bisson: We could facilitate a meeting when you do come up, if you want, with some of community leaders from the tribal councils or the communities. We could set it up whatever way, because there is a solution to be had and it's not very difficult. It's a question of everybody doing their bit, from the community level to the LCBO to NAPS to everybody.

Mr. Olsson: We will consult. Today we'd like to leave you with a clearer understanding that we take this very seriously.

Mr. Bisson: Please get a hold of me. We'll facilitate that for you.

All right. A couple of questions. Yes—

The Chair: This round has only two minutes left.

Mr. Bisson: In this round there are only two minutes left?

The Chair: Two minutes, yes.

Mr. Bisson: Fifteen minutes went by already?

The Chair: It's been very entertaining.

Mr. Bisson: I'm going to get another round, won't I?

The Chair: Absolutely. With that performance, for sure.

Mr. Bisson: Oh, wow. Let me ask you something. How much revenue does a mini-store generate, on average? I'm just curious, because I was looking at our briefing notes, and you have different types of stores. You've got the full-blown stores and you have the mini-stores. On average, what does a mini-store generate in sales? I'm just curious.

Mr. Olsson: Bob, are you the right person to answer that?

Mr. Bisson: What's the range?

Mr. Peter: A small rural store, you're talking about?

Mr. Bisson: Yes, like those mini-stores. They have in our note here the various types of stores—

Mr. Peter: They range anywhere from \$200,000 or \$230,000 up to \$2 million or \$2.5 million.

Mr. Bisson: How do you come to the decision of where you're going to establish an LCBO store?

Mr. Olsson: Just to be clear, you're not speaking of agency stores, are you?

Mr. Bisson: No, no, I'm talking about LCBO stores.

Mr. Olsson: LCBO corporate stores. Okay.

Mr. Peter: How do we establish it?

Mr. Bisson: How do you come to the rationale of saying, "There's a market here for another store?"

Mr. Peter: We have a market research department that analyzes where the markets are, where there are

sufficient people to warrant it. In the rural areas we base where we'll build a store more on where the population is. In the city we'd be basing it on a different methodology than we would in the rural areas, because with rural, you've got to be within a reasonable driving distance.

Mr. Bisson: Do you have a written policy somewhere that we can get? I'll tell you, in a number of communities you sort of scratch your head and wonder. You've got one LCBO store for a population of 45,000 people and you say to yourself, "Wow, those are pretty big line-ups at the store." In other cases, you have an agency store that's in close proximity of an LCBO outlet and you say to yourself, "There is big traffic going into the agency store. Why aren't we doing that ourselves?"

Do you have policies to get at all of this? And if so, can we get them?

Mr. Peter: I'm sure we could share them with you.

Mr. Olsson: To be clear, we don't have a written policy as such. What we try to do is establish proper levels of service in every community. We're always prepared to sit down with an MPP or with local officials, as we're doing later this week in one instance, to review our market strategy for the area and take any input. If what you say is true, that we have an agency store close to an existing LCBO store, that was certainly not a planned outcome. I'd be interested to know which case you're referring to.

[Inaudible]

Mr. Bisson: I know where the \$40-million store is. It's in my neighbourhood, because it's the only one.

The Chair: Thank you, Mr. Bisson. That's that segment of your time.

Mr. Bisson had asked some specific questions on the income statements on page 5 of the committee member's report, so I'm going to have the clerk follow up just to make sure we're clear. I'd ask, as the Chair, if you could put it through my office and make sure all committee members get the answer.

Mr. Olsson: In response to these questions today?

The Chair: There were specific questions he had on some of the lines on the income statements.

Mr. Olsson: I have a list, as I'm sure others here do, of follow-up items. We'll send them through you as Chair of the committee.

The Chair: Terrific, and then I'll distribute them to committee members; through the clerk's office, just to make sure, because I will download it to the clerk's desk after that.

Mr. Bisson: Just a quick question, Chair: Do you want me to give you in writing what I—

The Chair: She's going to check with the particular line items that you had mentioned.

But yes, if you don't mind, Mr. Olsson, technically through the clerk's office would be terrific and, if I could ask, by the date of September 16 at the latest. So that's one week from Friday, if I have my calendar correct. That way members will have it well in advance of our consideration of the report.

We'll now go to the government side. It's Ms. Smith.

Ms. Smith: Just to follow up on what Mr. Duguid was asking about, the shopping experience and customer satisfaction: First of all, Mr. Peter, we could spruce up the downtown North Bay one. That would be great. And there's at least one town in my community that needs an agency store, so we'd like that to move forward quickly too.

I do want to talk about customer satisfaction. I'm not a frequent shopper because I don't drink, but when I do go into the store it's definitely a good shopping experience, and I know that most of the people in my community are very pleased with what they find. I also note that people have commented on the easy accessibility to information on your website, finding out where a product is available; if not at your store, then where's the nearest store. I think it's really easily accessible for your shoppers, which is great.

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I also want to mention on customer satisfaction that they wrapped my Christmas gifts last year, which was really great. But how do you measure customer satisfaction? How do you monitor that and how do you report back on that to your board?

Mr. Peter: I'll answer that. We measure customer satisfaction in many different ways. We do an annual survey of all our customers across the province, about 2,500 customers, in-depth for about an hour on many different facets of their shopping experience at the LCBO, and we get a measurement out of that. So that's one measure.

Two, every month about 700 professional shoppers go into our stores all across the province and report back and then that's reported monthly at the management meeting by district and by regional manager. So it's monitored that way and it's fed back to the stores. For the stores that achieve an over-95% shopping report, their employees are also rewarded, so it's really important. We do another survey of customers on the phone, about 700 customers on the phone every month, on what their shopping experience is. So we're getting three different methodologies of looking at how the customer shopping experience is.

Ms. Smith: Sorry, your first survey, the hour-long one—I was a little distracted—is that done over the phone or live?

Interjection.

Ms. Smith: That's his whisper? He's got to work on that. Inside voice, Gilles; inside voice.

Your hour-long survey: Is it done over the phone or in person?

Mr. Peter: They're done on the phone.

Ms. Smith: Thanks.

The Chair: Mrs. Mitchell.

Mrs. Mitchell: Thank you. I also want to expand on the shopping experience and just relay something. When I had the opportunity to purchase a wedding gift—and for once, some of my friends were getting married, not divorced, so it was quite an opportunity—and I just want

to share with you. It was a particular bottle of wine that I wanted to give them, and the staff were top-drawer; they really were. They were so helpful, and in getting it in a timely manner, because I'm always running late for everything. It really was very valuable, and certainly I was very satisfied with the service that I received.

You probably don't know, but the riding that I represent is Huron-Bruce and we're very heavily into tourism. From one end to the other, that's our second-largest industry: tourism. So one of the things that we talk about a lot are wines and how much we do appreciate the service that you provide. But what I want to talk about specifically is that it's my understanding that the French Rabbit was the most successful wine launch for the LCBO. In the riding that I do have the privilege to represent, when we talk about the Tetra Pak fad it's a conversation that is happening all over my riding. Is it a fad? What's the Tetra Pak? What are the reasons for moving in that direction? Just expand on that. And congratulations on the French Rabbit.

Mr. Olsson: Thank you for that. We're now releasing Ontario wines as well. I think the question could be answered in two parts. Tamara can talk about the product launch, the results and what we have planned, but I think it's important that you understand the thought process behind the whole strategy of Tetra, which Patrick can supplement Tamara's remarks with.

Ms. Burns: As I believe you're aware, the LCBO was given a goal of reducing waste of 10 million kilograms per year. We talked a lot internally about how we were going to do that. Some jurisdictions, like the UK, for example, have been light-weighting glass. We were interested in more innovative solutions, because we've seen that other retailers that used to be predominantly in glass have moved out of glass. Through Bob Peter and our buying team, we challenged our suppliers to go out there and give us what would be the next generation of packaging. We were really after quality in alternative packaging, so we needed to ensure that we could create new vessels that would maintain or enhance the quality of the products inside.

One of our suppliers, Boisset, based in France, was the first to come forward. They had researched a Tetra Pak prisma package which they showed us and had decided, based on our mandate, that they wanted to hold the global launch in our province, which was tremendously exciting for us. The Tetra Pak package is 90% less weight than a glass bottle. It is fully recyclable, and approximately 80% of municipalities can recycle the Tetra Pak package.

We went ahead, and by August—this was in January—we had this product ready to launch, so a tremendous amount of resources by our supplier to do this. They put some great wine in that package and consumers really responded, even though we knew in advance that the majority of our consumers, when polled, were environmentally sensitive, and our most environmentally sensitive were our premium segment, so we knew we had a good match. What came back to us was the convenience, which they just loved. So at the end of

the day what really sold this product was it being light-weight, unbreakable, convenient. You can put it in the fridge, you can put it into non-glass environments such as patios, pools, camping. All of a sudden this product just took off. So because of that success, we were very happy to have additional suppliers come to the table.

Tetra Pak is not our only solution for this. You may have seen that just recently we launched Bilyara, which is the next generation of PET, a great wine from Wolf Blass in Australia, which is again a completely new package. PET is 100% recyclable, goes into great things like polar fleece, so it also has a higher after-market value for the recycled material. So along with aluminum, we're doing more in aluminum cans. We're doing spun-aluminum bottles. We've ended up going from zero to 79 products in our marketplace in just a little bit over a year and with great reductions already in our waste savings. So we're really pleased with the program.

Mrs. Mitchell: That has been very successful. I can tell you that the tourists are certainly embracing the Tetra Pak. Thank you.

The Chair: Mr. Parsons.

Mr. Parsons: Part of my riding includes Prince Edward county, which is well on its way to becoming the wine-making capital of the world. You may want to make a note of that. Literally eight years ago, there were no wineries in Prince Edward, and I think there are now 12 quality wineries, which, to me, is phenomenal in an eight-year period.

Certainly there was some concern among the wineries when they first started. Will they be able to get listed with LCBO? Will they be able to work with your rules? Because you're a very large organization. Then I noted with some pleasure last week that the Grange, one of the wineries in our area, is now listed with LCBO. The other wineries are saying very good things about you, and you should be complimented for that.

Winemaking is certainly a very important part of my community, and it's just part of your business, but what is LCBO doing to encourage the domestic winemaking industry?

Mr. Olsson: That is an extremely important part of our mandate. It's actually in our strategic plan. Tamara is our principal spokesman on this. I'll ask her to speak to it. But I will confirm that I have noted that Prince Edward county is to be identified as the wine-producing capital of the world.

Mr. Parsons: Of the world, yes.

Mr. Olsson: Thank you, Mr. Parsons. Tamara.

Ms. Burns: So that I don't spend a tremendous amount of time talking to you about this, Patrick has a handout, just a one-pager, that does recap our key activities for the Ontario wine industry. We do, by the way, have two wines coming out from Prince Edward county, so we have one that is on our Go to Market program, which is our entry level program for small Ontario wineries. Vintages has also purchased a wine for release from Prince Edward county, and we'll be doing a buying trip to your region in September. So we're looking forward to purchasing even more products.

We have a number of supports for the Ontario wine industry to promote sales. It's both on the sales side but also in-store, with every single person who works in our stores being trained about Ontario wine. In addition to that, we have, in close to 300 stores, LCBO employees who are designated their local Ontario wine advocate or what we call their WOW leader, to promote Ontario wine sales in those stores. It goes all the way from our buying programs, which from the smallest level is a winery delivering to perhaps five stores around their winery, all the way through to access to 600 stores, which goes through our regular distribution channel. In discussions with those wineries, we determine which program is right for them. We have nine different Vintages programs that are designed to work with Ontario wineries, and then we also have seven programs through the wines category, which is a much larger vehicle from time to time for Ontario wine. We graduate programs through, starting them off with Go to Market, then to Craft, which will give them up to 60 stores to work in. It's really a learn-as-you-go type of program.

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We also buy premium wine from Ontario wineries through a premier program, because Ontario wine is lagging behind imports in its overall share of the market in wines greater than \$12. So we know that we need some specific programs just targeted to premium wines to bring them up to the same rate of sale as imported wines. We have a huge raft of promotional programs that we do. Ontario wine is the only region that has an annual promotion at the LCBO. It's in September every year, which coincides with harvest. We also provide numerous discounts and ways of offsetting costs, such as freight costs waived and licensee sales discounts. So there's a raft of programs, and I think the handout will assist you with that.

Mr. Parsons: Time left?

The Chair: Two minutes.

Mr. Parsons: A quick question, then. I sometimes decide which gas I'm going to buy based on their incentive programs: whether I'm going to get air miles, or whatever, and the competition. I actually haven't had a drink since 1971, which means for 25 years, folks, I've been the designated driver who enabled you to stay in business, and I've done my best at that. But I see you have an air miles program. Why an air miles program when there isn't competition to attract someone from one store to another? Why the air miles?

Mr. Olsson: That's a very good question, and the answer, I think, is quite sound. Bob?

Mr. Peter: Air miles serves several purposes. One, it rewards customers for shopping with us. There are not too many other bonuses you get for shopping with us. But, more importantly, it provides an outlet for our suppliers to give a bonus for buying their particular product. We hold the price at the same price, but you get additional air miles. The third thing that benefits us, and we use tremendously, is for market research. We're able to track our customers, what stores they shop in, what the

size of their basket is. It gives us tremendous market research, and it pays for itself in dividends on that side.

Two, it provides a huge outlet for suppliers. Rather than having to give LPOs or prices, they can use air miles. They like it. Third is that the customer gets a win for it.

Mr. Parsons: Makes sense. Thank you.

The Chair: Thank you, Mr. Parsons. That concludes the time, so now the official opposition will go. Ms. Scott.

Ms. Laurie Scott (Haliburton-Victoria-Brock): Good morning, and thank you very much for appearing here before us today. I'll follow up a little bit on Mr. Parsons's topics. You had handed out the Ontario Wine Industry report, and we've seen some statistics about the decrease in the domestic sales that has been occurring. I know the Ontario wine strategy is out there and has a target of 50% of sales being Ontario wines by 2008.

I just wondered. There have been a lot of questions about having more shelf space in the LCBO, and I know that my colleague—and he's the Chair of the committee today—Tim Hudak introduced Bill 7, the VQA Wine Stores Act, in 2005. There is obviously a need to help promote domestic product, and I know that you're getting there, but do you have any idea of the Ontario wine sales that may occur, or the increase that you forecast to see, based on some of your promotional programs that you have here?

Mr. Olsson: I'm going to pass this to Tamara, but I'd just like to re-emphasize that we work very hard to promote Ontario wines. The lacklustre sales growth is not in fact demand-driven, and it's not a product of LCBO policy. As you probably know—certainly the Chair would know—we've had two short crops, and it has been very, very difficult for Ontario wineries to provide us the quantities that they need and that we would like. That's just something we're been working with the industry to deal with, including a whole new shelving program.

On the topic of VQA stores, that's really a government decision. It's not our decision, but we would assert that Ontario wines can stand up to the best the world has to offer, and we believe that they're best shown in competition. We have had made tremendous progress within our system. Knowing that customers can purchase wines from anywhere in the world in our stores, they choose Ontario wine, and we help them arrive at that conclusion.

Tamara?

Ms. Burns: Ontario's share did grow last year, and that was absolutely terrific. Of the last three years that we've been in this project, Ontario wine sales have grown in excess of imports for two of the three years. Currently, we're into period 6, and for this year to date, Ontario wine sales are also outpacing imported wine sales; not by a lot but by a little bit, which is absolutely fantastic and exactly what we want to have happen.

As well, Vintages sales, which are not tracked as part of the 50-50 project, have been growing, and they've been growing in double digits. For example, last year Vintages sales grew by about 15%. What's really exciting about that is that it is in a premium price band.

Another one of our goals, particularly a goal of the wine council, is to upsell, cross-sell and to premiumize their offering to the consumer.

Ms. Scott: On the sales of Ontario wines, do you have a percentage of the increase of domestic product over imported? Did you say it was an increase?

Ms. Burns: Yes.

Ms. Scott: They're ahead?

Ms. Burns: They're ahead.

Ms. Scott: By?

Ms. Burns: Right now, at the end of August, fiscal period 6, Ontario is growing at 5% and imported wine is growing at 4.4%, and that's in net dollars.

Ms. Scott: What percentage of your sales would be Ontario wines, just to put it in perspective?

Ms. Burns: First of all, the way the goal is split is, of the Ontario wine sales in the province, we are 57% of those sales, and the winery retail stores and direct delivery make up 43% of the sales. So that's what portion we're contributing into the overall growth of the market share. For Ontario sales altogether, we are about 30% of the volume and about 24% of the dollars at the LCBO for Ontario wine.

Mr. Olsson: Your question was, of the wine that we sell, what percentage is Ontario wine?

Ms. Scott: Yes. What percentage would be Ontario wine that was sold by LCBO stores, if you have current data?

Ms. Burns: Through the wines category in volume, it's about 30%.

Ms. Scott: I thought I had a decrease, it was a lower percentage, but it's around 30%?

Ms. Burns: In dollars, it's about 24%.

Ms. Scott: I notice British Columbia has set some aggressive targets for promoting VQA wines. In the vintage stores—I can't tell you I frequent the LCBO or the vintage stores a lot—approximately 4% of Vintages sales are VQA wines. Are those correct figures?

Mr. Olsson: Sorry, which?

Ms. Scott: About 4% of vintage store sales are VQA wines. Is that a correct percentage? These percentages are going around. It seems low, and I just wanted to verify.

Ms. Burns: It sounds high.

Mr. Olsson: Vintages is the premium. They're not separate stores; the Vintages departments are part of our stores. It's premium wine, and it is a small percentage. If 4% is the number—I'm not sure we do have that number.

There are two issues here. One is, we're trying to work with the producers to produce wines that can compete at the very top level of global wines, which means they will be featured more and more in Vintages. Second, we don't always get the first pick of Ontario wines. For economic reasons, they prefer to sell them at their own winery store or through their own independent stores. So it's sometimes difficult to get the product that we want.

Ms. Scott: In the private member's bill that Tim Hudak brought up, it would allow wineries to group together to sell their wines at new VQA stores. Would you have any problem with that possible proposal?

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Mr. Olsson: Again, it's a government decision; it's not our decision. Our view—and it probably wouldn't surprise you—is that Ontario wines should, rather than rely on a certain distribution mechanism that may or may not be successful, continue to develop and compete at the global level, and the best place to do that in Ontario is on our shelves.

Ms. Scott: All right. Just to recap, what percentage of shelf space is available right now to Ontario wines at LCBO stores?

Mr. Olsson: Patrick?

Mr. Ford: It varies by store. The way in which we allocate product to shelf space is based on sales within that particular store. We have established a commitment with the wine council and our ministry. It has been in place, I believe, for about three or four years now, where we will over-shelf—in other words, we will provide greater shelf space than what the actual market share of Ontario wine is in a particular market. It's a formula, basically, but for the majority of stores it means about a 4% greater linear footage of shelf space for Ontario wine than what their sales would otherwise warrant. As those Ontario wine sales grow within a particular store, there would be an opportunity for that over-shelving to be expanded in a corresponding manner.

Mr. Olsson: You'll also find that if you go into any one of our stores, it's very hard to miss the Ontario wine. They have the most prominent display in any of those stores. They're right there when you walk in the door.

Ms. Scott: You feel the marketing is adequate at the moment to promote Ontario wines? I realize there are some new programs out.

Mr. Olsson: We can always do better, but we are working as hard as we can to make it work.

Ms. Scott: Yes, and there are new wines coming out. I know Mr. Parsons mentioned his riding; I know they're making maple syrup wine in my riding. Go ahead—sorry—if you wanted to make further comment.

Mr. Peter: What you're going to see with the new legislation, with the help that the government has just put through for Ontario wines, which makes it more lucrative for them to sell to the LCBO—we'll see a lot more come on, particularly in the premium category, over the next three years, that weren't available to us before. For the wineries, it's a lot better for them to sell than it was previously in the way the pricing formula worked.

Ms. Scott: I want to follow up a little bit on the Tetra Pak question. The LCBO ran the program in the spring encouraging all stores to sell French Rabbit wine packaged in Tetra containers, but it was a foreign winery. It was their wine. You gave incentives of movie passes and barbecue sets to promote the product. Do you think that's appropriate for the LCBO to be promoting foreign wines with incentives like that?

Mr. Peter: It was an experiment. It worked well. We also offered the same thing to Ontario wineries, and they took it up too.

Ms. Scott: How many Ontario wineries?

Mr. Peter: Vincor Corp. did it. We did an offset. We wanted to see what it would do, and it worked fine.

Ms. Scott: Just on the recycling part of that then, according to Waste Diversion Ontario, only 13% of Tetra Pak packaging was recovered. So 87% ended up in landfills. Of course, then we're shipping the product to Michigan because we don't have the appropriate processing facilities here for that type of packaging. I was questioning how good it was for the environment when there was only really 13% uptake for the recycling.

Mr. Olsson: We're very pleased you asked that question, because there is a lot of misunderstanding about Tetra Pak. I'd like Patrick to try to make that topic very clear. Things have changed quite a bit in the last year.

Mr. Ford: Thank you, Phil. The 13% figure that WDO—Waste Diversion Ontario—has indicated pre-dates our involvement with this package format. We anticipate, first of all—even separate from any additional efforts that we'll be putting in and we are putting in to promote greater recycling and consumer awareness about recyclability of Tetra Paks—that those numbers will increase substantially.

Part of what suppresses the recycling in a sense, or the rate of recycling for Tetra Pak products—or at least the reported numbers—is that a significant portion, up until now, of Tetra Pak use and consumption has been in children's juice drinks, principally in places like schools. When recycling rates and recovery rates are calculated, institutions such as schools are not included within that kind of calculation, so it's our belief that the number is, first of all, possibly lower than what exists in reality.

But still, whatever the actual number is, it's one that we are committed to getting higher, along with all our strategy for increasing recovery rates. As Mr. Olsson mentioned earlier, we currently have a 64% recovery rate for our products in general. We believe, through our promotional campaigns for encouraging the recyclability of these products, that we will be able to get that number up.

A final point I'd like to make about this product, and this doesn't get in the way at all of our efforts to increase its recyclability, is with respect to it being, as Ms. Burns indicated, 90% smaller in terms of its weight and the actual amount of packaging involved. So even for that amount that ends up being not diverted through recycling, the burden that it puts on the waste management stream is quite small compared to other traditional package formats, particularly glass.

Ms. Scott: So we don't have the processing facility here, though, to handle Tetra Pak? Just clarify that point maybe.

Mr. Ford: Currently, the way in which processing of Tetra Pak is handled is actually in a facility in Michigan, where it's been for the past year. But in previous years and, we anticipate, in subsequent years too—it's a function that shifts jurisdiction based on the choice of municipalities as to where they will be sending the product. The actual type of facility where it can occur, and did occur until recently, was also in Scarborough. It's essentially a pulping facility that shreds the product and separates its

component elements. Where it exists, it's a market-driven issue and it's not—

Ms. Scott: Okay. I'm going to be short of time, so I'll ask one more quick question, if I could. I'm going to bring the BC example in. In their LCBO there, the BC Liquor Distribution Branch recovers about 86% of wine and spirit bottles, and almost the same percentage there of Tetra packaging ends up in landfills. Have you studied that system? It's in connection with glass recycling and BC's recovery. I hear a lot of reports in BC about how there are no bottles, there is no garbage on the sides of the roads etc., because of the incentive programs they have. I just wondered if you'd looked at BC's program and could comment.

Mr. Olsson: The aesthetics of a blue box are not something that we have a view on. But it is interesting to note that in Toronto, which has a very effective recycling program, in the curbside recycling for single family homes the recovery rate for LCBO glass is 96%. That number comes from both Stewardship Ontario and an audit by the city of Toronto.

The overall recycling rate in the province for our glass is 64%. In BC, the overall recovery rate is 69%, so we're pretty close to that. The big weakness in the system is multi-family dwellings, and, as one of your colleagues here pointed out, some of the municipalities do not have strong blue box programs. One would argue that you should work on the recovery system in every way possible, but it's primarily the responsibility of municipalities, although we are a founding member of Waste Diversion and Stewardship.

In the meantime, Tetra is a far superior component to glass in terms of its contribution to landfills. I'd just like to be very clear—Patrick alluded to this—that there is absolutely no problem with recycling Tetra in Ontario. It can be easily done. It's just a market choice by the participants to do it somewhere else.

Ms. Scott: Thank you very much.

The Chair: Monsieur Bisson, 15 minutes for yourself.

Mr. Bisson: Already? I was getting so excited.

I just want to come back to the issue of how you come to the decision to open stores. For example, in my hometown of Timmins, there are two stores, one in South Porcupine and the other one in Timmins. The Timmins one is quite full all the time. I'm just wondering, how do you come to the rationale for the need for opening another store? How do we get to that?

Mr. Olsson: Bob?

Mr. Peter: In large communities, when the sales get over \$2,500, \$2,800 a square foot, that usually triggers us to look at it. As we get capital available to us, we would start to look at additional sites and finding the right site to build the stores. So it's a number of different factors, but certainly when we get above \$2,500, \$2,800.

The LCBO had a large catch-up to do because it didn't have capital for a long time. In the last five or six years we've made major progress in infilling a lot of stores we needed to. We had stores as high as \$5,500 a square foot which we knew we were underservicing. Then we had to

find a location. To take Guelph for an example, we had a store that was \$5,500 a foot. Once we've got a new store there, it's shooting the lights out.

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Mr. Bisson: Shooting the lights out?

Mr. Peter: Yes, shooting the lights out—doing well.

Mr. Bisson: I thought that was—okay. So let's say you have a store at that point. You have a capital program and you—

Mr. Peter: One of the things you have to realize is that the LCBO started in a very different era, with counter stores and—

M. Bisson: Je me souviens.

Mr. Peter: —very small assortments in wine and very small assortments in beer.

Mr. Bisson: By over-the-counter; I remember.

Mr. Peter: Yes, right. In Moosonee we still have over-the-counter—the only store left in the province. As we've evolved, the design of a lot of these stores is inadequate to house the new assortments of today. So as we catch up, we go through them. It's a catch-up for those stores that need refitting. And then, as the population grows in Ontario, just doing the 905s and the Ottawa areas that have been growing—

Mr. Bisson: I guess my question is, when there's a need to open a second store, is there a competition for a little amount of capital dollars, or how does this work? That's my question.

Mr. Peter: We have a list. We have a real estate committee that looks at all the different options, where the best return is, where the best is from the customer point of view, and we tackle them that way.

Mr. Bisson: So you have a list. Is that rated in any way?

Mr. Peter: Yes. We go through them.

Mr. Bisson: Can we get a copy of that list?

Mr. Peter: We can show you what we're working on, sure.

Mr. Bisson: Will you add that to my list of questions, please?

I guess the follow-up is that you would be obviously prepared to meet with the local municipal people if they wanted to talk to you about this.

Mr. Olsson: Yes, we always entertain them when they wish to do that. We review our market strategy and accept any input that they might have. It wouldn't surprise you that municipalities never feel we have enough service.

Mr. Bisson: In fact they closed one down, but that's a whole other story. Anyway, let's not go there; we lost that battle.

So you've explained that. The other thing is that on the BASR recommendations the minister was pretty categorical in saying, "We ain't going there." This is dead, in your view? From within the agency, you guys aren't doing anything to encourage the privatization of LCBO outlets?

Mr. Olsson: Number one, as I've said before at this committee, it's a shareholder decision; it's not an LCBO

decision. But we have been made to understand clearly, as has the public, that there is no privatization planned. It's not being considered. There's no work being done. It will not happen under this government.

Mr. Bisson: In regard to agency stores, however, we see an increase in the number of agency stores being opened up. You're left scratching your head, saying, "What you can't do from the front door, maybe you're doing by the back door." We're going to get into that a little bit later, but what is the rationale for determining when to open up an agency store and not open up an LCBO store if the numbers are there? Because there are examples out there where you've got agency stores that are selling in excess of half a million dollars' worth of product, and from what I understood earlier, a mini-store is anywhere from \$200,000 up to \$2 million. So what's the rationale?

Mr. Olsson: First I'd like to make clear that we have two types of agency stores, as you would know and perhaps not everyone would. We have the northern stores, which have been around for quite a long time, and you'd be well acquainted with those. Simply because of distances and populations in the north, that's the only effective way to do it. There is an agency store system in the south. We recently announced 20 additional stores, and they're mainly a convenience factor. They're designed to meet needs where the distance to a corporate LCBO store is sufficiently long that one can justify a small agency store in a local community. It's important to these communities too, because in many cases they're attempting to preserve a fragile central business district, and if their citizens drive to a larger municipality some distance away to shop at an LCBO store because they can't acquire the products in the local community, then they may end up going to a Wal-Mart and a Loblaws and other things, further weakening the local business economy. So we tend to be aware of that, but it is a convenience.

Mr. Bisson: What is the policy, though? You said "the distance to an existing LCBO outlet." Is there a specific policy that you rely on, and if so, can we get a copy of that policy? What is it and can we get a copy?

Mr. Olsson: There's not a policy per se, but at the moment we are not approving agency stores less than 10 kilometres away from an existing LCBO store.

Mr. Bisson: It used to be more than that at one time, didn't it? It seems to me there was a policy of 15 or 20 kilometres or something.

Mr. Olsson: I'm not aware of it being greater than that. There's an understanding that we have with the Beer Store as well that's a slightly separate standard, that it would be a drive time rather than an actual distance. But it's equivalent, effectively, to the 10-kilometre rule. That rule hasn't always been in place, but it's certainly in place currently.

Mr. Bisson: Has there ever been an incident where you've determined, after opening up an agency store, that in fact there are sufficient sales in order to open an LCBO outlet, and if so, how would you approach that?

Let's say, hypothetically, you open up an agency store in community X, you have sales of a million bucks or \$800,000 or whatever it might be, and you come to a conclusion, "Hell, we can be doing this ourselves."

Mr. Olsson: A licence is for a limited period, of course, so they don't have to be renewed. Bob, are you aware of any such circumstance?

Mr. Peter: We haven't done any yet, but there are one or two that would probably qualify for that right now.

Mr. Bisson: That's why I'm asking.

Mr. Olsson: That will need to be addressed.

Mr. Bisson: Why wouldn't you do it? You'd make more money, right, or we would make more money, collectively.

Mr. Olsson: We would. As I say, the southern agency store program is still relatively young, so it's only now that we're beginning to address some of these areas.

Mr. Bisson: So you're saying that you're opening 20, and that's over the next 12 months, or—

Mr. Olsson: The locations have been approved. We publish a tender, then people present their qualifications and hopefully we can find a qualified applicant in each community.

Mr. Bisson: Do you have any plans in the next 12 months to open any more than those 20?

Mr. Olsson: It's strictly a decision of the government's. If they indicate a receptiveness to doing that, then we'll consider it. There are always underserved communities in Ontario.

Mr. Bisson: So you're saying the decision to open agency stores is not one of the LCBO itself, but of the government?

Mr. Olsson: It's ultimately a policy decision, but no, the government doesn't pick the stores or say how many.

Mr. Bisson: No, I understand you pick them, but you're saying the decision to open the 20 is a decision of the government, not of the agency.

Mr. Olsson: No, it's our decision, but we have to have the approval of our minister to do it. As I say, there's a long list of underserved communities.

Mr. Bisson: Okay, I get it. So over the next 12 months, other than the 20—I don't think I got an answer—are there any other stores that you're planning to open as agency stores?

Mr. Olsson: At the moment, we're not, but there is a long list of underserved communities, and we continually review that and discuss with our minister what our attitude should be.

Mr. Bisson: How many LCBO outlets are you currently planning to open in the next 12 months?

Mr. Peter: There are about maybe six new ones and about 12 that are relocations, redevelopments, and then there are about another 15 that are renovations to the existing store and expansions to it.

Mr. Bisson: So your market surveys are determining there's a greater need with the increase in population or whatever, and you are opening up new LCBO outlets. Are you closing any down? Is it a question of shutting two down to open one? What's the plan?

Mr. Peter: Often, we'll take a small store and relocate it to a much bigger location, so we do close stores down and move them around, yes.

Mr. Bisson: I recognize that, but of the six new ones that you're opening, are these brand new stores?

Mr. Peter: Yes, in places like Aurora, Richmond Hill.

Mr. Bisson: What's the policy for the sale of alcohol, spirits, to the agency stores? Where do they get their stuff from? I understand it's the local LCBOs, right?

Mr. Olsson: Correct.

Mr. Bisson: So, for example, Opasatika, which has an agency store, would buy from Mattice or whoever it might be. Is that always the case?

Mr. Olsson: Yes, it's FOB, an LCBO store.

Mr. Bisson: Basically all of the agency stores, then, get it from the local LCBO?

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Mr. Olsson: Yes. I suppose they can buy from depots if they wish.

Mr. Ford: We have one exception to that currently where we've provided the option to a particularly large agency store operator to purchase from and have it delivered from our customer service depot in the west end of Mississauga. So the nearby supplying store—that business has been transferred to the fulfilment of orders by our staff at one of our depots. From an efficiency perspective, it makes more sense. We sometimes have circumstances where the volume—because of incremental sales generated by some agency store locations where it's difficult for a local supplying store to handle so much wholesale traffic, it makes more sense from a business perspective to direct it that way. We have one store operating that way so far, in Beeton, and we do charge.

Mr. Bisson: You said in Mississauga. I didn't hear where.

Mr. Ford: The supplying location is our warehouse in Mississauga.

Mr. Bisson: No, the agency store is where?

Mr. Ford: It's in Beeton. And we charge the operator of the agency store a fee for the packaging and shipment of those—

Mr. Bisson: Does that result in any job losses in a local store? In our area, we have a number of agency stores in the northern part, and part of their work is supplying to the agency stores. Obviously, if you direct source, that would affect the number of jobs available in those communities.

Mr. Olsson: The depots are employees of the LCBO as well.

Mr. Bisson: I understand that, but what I'm saying is that in a small community somewhere, if you start sourcing to the central warehouse, you would need less staff in those other stores. In some communities, there are not a lot of jobs. For example, if you look at Smooth Rock Falls, they closed down the only employer there. I'm just asking, does this result in job losses in the local stores?

Mr. Olsson: We don't actually believe that it does. It's a rather theoretical argument. We certainly have undertaken as part of our collective agreement not to reduce jobs as a result of agency stores.

Mr. Bisson: I think what you said is you don't have a policy and then I saw you nodding your head that you do have a policy on how you come to the decision of opening agency stores. I just want to make it clear: Do you have written policy on that? You have to. I can't understand that you wouldn't. You must have something.

Mr. Olsson: We run the LCBO as a business—

Mr. Bisson: Quite well too.

Mr. Olsson:—and we pursue these things in business terms. Perhaps whoever was nodding their head could explain what policy we have.

Mr. Ford: We don't have a specific policy on those locations aside from, as Mr. Olsson indicated, a 10-kilometre requirement. In the process that we're going through right now for the 20 new stores that were recently announced, we consult with the local municipality to ensure their support before we will advertise for prospective operators. But we're continually in the process of receiving from local businesses, local consumers—sometimes it's prospective operators or sometimes it's local members—the requests for those.

Mr. Bisson: That's what I was wondering.

Mr. Ford: We look at those requests. We assess them on an ongoing basis. We share that information with the government as well. As Mr. Olsson has indicated, from time to time there's a decision taken that, of those that seem to have the greatest potential, there would be further stores opened.

Mr. Bisson: So the process at times—I'm out of time. We'll get you later on. Thank you.

The Chair: Thank you, Monsieur Bisson. The remaining seven minutes will be on the government side. Ms. Smith.

Ms. Smith: Just following up on some of the questions on agency stores, I just wanted to ask, when we discussed earlier about customer satisfaction and the surveys you do, is there a segregated amount of customer satisfaction review of agency stores or are they falling into the mix? Do you ask anything specific around agency stores? If the answer is yes to any of those, do you have any data on general customer satisfaction with the agency, the availability, that kind of thing?

Mr. Peter: We measure the agency stores as we do our own stores. The store managers who are responsible for the agency stores are required to visit them on a regular basis and look at the social responsibility and how they're presenting the merchandise. We do monitor them, but I don't think we send our shoppers in there.

The Chair: Mr. Milloy.

Mr. John Milloy (Kitchener Centre): My apologies for being late this morning. It was the first day of school and I was opening a brand new school in my riding, so I wish them well.

I want to ask about the LCBO. I'm always fascinated, as I'm sure most Ontarians are—are you the largest purchaser of alcohol in the world, or one of the largest?

I guess that's a bit of a double-edged sword. On the one hand, obviously it gives you the power to presumably seek very good prices in terms of the quantity that's being purchased, but at the same time there's managing inventory, inventory build-ups, that sort of thing. I was just remarking to one of my colleagues that I had been in an auto plant on a tour the other day and they kept their inventory of parts to four hours' supply because they wanted to keep their costs down. I just wondered, how does the LCBO deal with the buying of such large quantities and making sure that you're not stuck with these overhead costs of having huge amounts of inventory?

Mr. Peter: We don't have huge amounts of inventory; that I can tell you. I've made sure of that. But we're turning at 7.6 turns from four years ago, when we were turning at 5. What that means is, we're \$100 million less in net inventory. So we're doing \$1 billion more in sales than we were five years ago with the same inventory we had five years ago.

Interjection.

Mr. Milloy: Maybe I'll help Mr. Bisson and ask, how does that happen? What's been the secret of the success?

Mr. Peter: That's all the efforts we put into redoing our supply chain with the category management training we did and reformatting how we came at it. It's how we planogram our stores, how we flow the goods to our stores. We've taken stores that were getting once-a-week delivery and are getting anywhere from two to four deliveries a week now. There's just a whole list of different things. Rather than buying huge amounts of goods, we now have several boats en route from Australia with the same goods at intervals all the way along, so we're flowing them a lot faster than we used to.

So, to your point of what's on hand, the average store carries about three weeks of supply on hand. Likewise, they carry about three weeks in the distribution centres.

Tamara may want to—she lives and dies this every day.

Ms. Burns: We have really focused on inventory management, understanding that that's our largest cost to the system. We've worked collaboratively with our suppliers. We know we can't do this alone; we have to have their co-operation. We do a lot of collaborative planning. Promotional planning, in particular, is key. Because we put so many products on different levels of promotion, we have to be able to forecast that very accurately, all the way through to ensuring that it gets produced and ships on time. I think part of the secret to our success has been working so well with all of our trade partners.

Mr. Milloy: You mentioned three weeks' supply in the stores. What was it—I'm sorry; I forget the base year you had. Was it seven years or 10 years ago? How much would have been in the stores then? I mean, has there been a conscious effort to get it down?

Mr. Peter: It could have been six, seven, 10, 12, whatever: 20 weeks.

Ms. Burns: As well, there wasn't a specific store standard, and now we work to standards across all the regions and the stores. Everyone has their target.

Mr. Milloy: Do I have time?

The Chair: You have two minutes left.

Mr. Milloy: Then I'll turn it over to Mrs. Mitchell here.

Mrs. Mitchell: Thank you very much. I really do appreciate all the work that you have done in inventory control. As we all know, coming from business backgrounds, that's the only way that you increase the bottom line. But we achieve our maximum by working with our workforce, and I know that you have done a tremendous amount of work to ensure that your workforce is productive. I would like to give you the opportunity to expand on that.

Mr. Olsson: First, you'll have the opportunity to question our bargaining unit officials later today, so you should ask them for another view.

Mrs. Mitchell: I will.

Mr. Olsson: But we are quite proud of the way we work with employees, and I would ask Bob if he could make a comment.

Mr. Peter: One of the neat things in the LCBO is that we have very low turnover rates. We're blessed with having a very stable workforce who are very knowledgeable. Likewise in management, we have a very stable management group with very minimal turnover. That's part of the reason for the success: the huge knowledge base the people have.

We do employee attitude surveys every two years. We've just completed one in June, and the results came back that satisfaction is the highest it's ever been. We're not saying everything's utopia, but generally the people identify very strongly with the LCBO and the success of it. It's training, communicating and working with the team. But we have good relations with—

Mrs. Mitchell: The satisfaction is up, so what would you say was the major contributor to the satisfaction being up?

Mr. Olsson: In my observation as an observer from the outside, the average LCBO employee has a great deal of autonomy, and with the badge comes the gun as well. They are expected to enforce our social responsibility rules, and they take it very seriously. We have always believed that management get the employees they deserve, and the management I think takes care to delegate as far as possible down the chain decision-making by our people. It makes, by and large, for a very satisfying work experience. Certainly at the management level, which I observe most closely, that's the case.

Mrs. Mitchell: Thank you.

The Chair: That concludes this segment of the agencies meeting for today.

Just two concluding observations on the morning session. First, I'm going to ask government members just to consider as we go forward through the day, and then the subsequent two days, about the report-writing down the road. We have an opportunity to do a broad-based report. In my view, as Chair, the preference is to do a narrow report to focus on a particular area. The topics that I've noted came up the most tended to be around

recycling or Tetra Paks; domestic sales; the social responsibility mandate; fourth, a broad category of shopping experience, remote communities, customer satisfaction; admin costs and governance. The sixth one is, agency stores had a lot of questions.

In my view, if you cover all six topics, that's a pretty big report. What I'm going to do is have the clerk contact the subcommittee members to try to do a call next week, if we want, to try to focus. So I'd ask committee members to liaise with their subcommittee representative to see if you have preferences for the categories for the LCBO, how to run an OLG. As I said, I'm not going to restrict where the committee goes. We can do a big report, but I think what would be most productive at the end of the day is to narrow in on some of those categories.

I'll leave that for the time being. I'm glad to speak with members over lunch as well about that viewpoint. Again, the clerk will contact subcommittee members to arrange a call later next week.

Lastly, to Mr. Olsson and the team from LCBO, thank you very much, first of all, for being here today, appearing before the committee for two hours, and all of the work that I know was involved in putting together these binders. I certainly had a chance to work with many of the folks here very closely as a former minister. It's good seeing them again. Congratulations on the work achieved to date. Continued success.

Mr. Olsson, I would ask as well if some representatives would be able to stay here and maintain a presence during the day in case committee members—it's not a formal part of the agenda to ask questions, but there may be something that would come up from one of the deputants in the afternoon that may require clarification. So if you have the opportunity to leave some folks behind, that would be entirely helpful.

Mr. Olsson: We will be represented in a senior way today. Again, thank you, Mr. Chair, for a very efficiently run meeting.

The Chair: Thank you, sir. We appreciate it.

We are recessed until 1 p.m., same committee. Thank you, folks.

The committee recessed from 1203 to 1304.

The Chair: All right, folks, we are back in session for the second half of our review of the Liquor Control Board of Ontario as part of the business of the standing committee on government agencies. As members know, we now proceed into hearing from groups that are interested and have advice for the committee on the LCBO.

The format we're going to follow going forward for the afternoon is to invite our presenters to make a presentation, opening remarks, of up to 15 minutes—your call if you want to use all that time or not. We will then divide the time remaining in that half-hour segment equally among the caucuses. I'm going to begin, as I did this morning, with the government side and rotate. And then, for the second deputation, it will be the official opposition and rotate. So our traditional method of rotation will be followed for the afternoon session.

Last item for members: Just to remind you that beginning at 4 p.m., we do continue with the review of two intended appointments. Gemma Harmison and David O'Brien are on this afternoon, so we won't forget about that. Folks, thank you very much.

ONTARIO PUBLIC SERVICE EMPLOYEES UNION

The Chair: We have the Ontario Public Service Employees Union. Thank you very much for your patience. Ms. Casselman, good to see you again.

Ms. Leah Casselman: Nice to see you.

The Chair: I'd ask you, before you begin, to introduce the others who are with you, if they'll be making any remarks, and then the floor is yours.

Ms. Casselman: My absolute pleasure, and we're really pleased to be here this afternoon. Thank you very much. I am Leah Casselman, president of the Ontario Public Service Employees Union. With me here today is Jo Ann Fisher, who is the acting chair of OPSEU's liquor board employees division; Mike Sullivan, who is the vice-chair of OPSEU's liquor board employees division; and Terry Moore, who is our sector supervisor responsible for that division.

OPSEU has the privilege now of representing the more than 6,000 LCBO employees in the province of Ontario. We're really delighted to have them as part of our union. They certainly have been part of our national union for a number of years, but we're pleased to have them inside our house here in Ontario. We're also pleased to be able to share our perspectives, both on the important contributions the LCBO makes to Ontario communities and on some significant challenges it faces, now and in the future.

I want to start with a point that I am sure LCBO chair Philip Olsson and its COO, Bob Peter, made this morning: that the LCBO represents a unique success story for the provincial government and for Ontario communities. I recognize that that statement may come as a surprise. As many of you know, I have not been making a regular habit of singing the praises of employers, or, quite frankly, agreeing with them in public. But the fact of the matter is that as a publicly owned and operated government agency, the LCBO delivers exceptional value to the people of Ontario.

To start with, the LCBO has an important mandate to ensure that alcohol is sold in a way that reduces the risk of health and social problems in Ontario communities. In 2005-06, for example, trained LCBO staff challenged more than 1.7 million customers who appeared underage or intoxicated. I was not one of them. That's an average of roughly 4,700 challenges per day. Of this total, our members refused to serve 112,000 people—or more than 300 each day—mostly for being unable to provide valid proof of legal age.

The LCBO has also become a world-class retailer, providing excellent customer service and convenient access to thousands of products across the province.

Finally, the LCBO generated \$1.2 billion in provincial government revenue last year, not including taxes. Over the past five years, the total is more than \$5.2 billion. These funds help the province pay for vital public services on which our communities rely.

The LCBO has shown a remarkable ability to provide a reliable and growing stream of public revenue and deliver good customer service while protecting the health and safety of Ontario communities. This success is a direct result of the LCBO's status as a publicly owned and operated agency of the province.

This brings me to the single greatest challenge facing the LCBO: the threat of privatization. The case against privatization is clear and convincing. It reflects the experience of many other jurisdictions, which shows that privatization means more liquor stores open longer hours, selling more booze to more people. It means more sales to minors, more drinking and driving, more crime, and more health and social problems. What's more, in many jurisdictions, including Alberta, privatization has meant higher prices and lower government revenue. In the 10 years following privatization in Alberta, the government lost more than \$500 million through reduced alcohol taxes. Why? Because, despite what business lobbyists claim, a private system is not about customer service or government revenue or public health and community safety; it is about generating profit, and if that means prices have to go up and governments have to cut taxes, so be it.

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Of course, I'm not a scientist, and even if I were, we don't have the time to go through the huge body of research on the dangers of privatization. So instead, let me quote from a report written by eight leading research and public health organizations, including Ontario's Centre for Addiction and Mental Health, the Ontario Public Health Association and Mothers Against Drunk Driving. After reviewing the evidence, these groups concluded:

"Maintaining public alcohol retail distribution systems with a strong duty of social responsibility is one of the most effective ways of minimizing harm caused by alcohol....

"Public systems are typically more restrained than their private counterparts in promoting alcohol sales and more likely to aggressively challenge and refuse to sell alcohol to underage youth and the already-intoxicated."

Of course, good public policy doesn't stop bad politics. After all, with the LCBO's annual sales topping \$4 billion, there's a lot of cash on the line. That might explain why industry groups, expert panels and private think tanks keep churning out proposals to turn the whole show over to the private sector. In Ontario, the most recent example was the government's own beverage alcohol system review panel. Last July this panel called on the government to auction off the LCBO's existing stores and warehouses to the highest bidders, hand the system over to private corporations and limit its role to licensing, regulation and enforcement of a fully private,

for-profit system. Fortunately, saner heads prevailed and on July 18, the same day that the panel's report was released, finance minister Greg Sorbara made the following statement:

"Let me be clear—we are not selling the LCBO. We will not turn the LCBO into an income trust. And, we will not permit the selling of beer and wine in corner stores.

"It is our very strong view that the public interest of Ontarians is best served by the continued public ownership of the LCBO."

Here again I may have to surprise some of you, this time by congratulating the government for making the right decision. But there's just one problem: While the government closed the front door to outright privatization, it has deliberately held the back door wide open to a gradual privatization by stealth. What I am referring to here is the LCBO's expanding network of privately owned and operated agency stores.

Under the agency store program, the LCBO licenses or franchises existing private businesses, usually grocery stores or general stores, to sell beer, wine and spirits. The program was started in the 1960s to serve remote northern communities that did not have reasonable access to a nearby LCBO store and where the market would not sustain a regular LCBO outlet. In the early 1990s this program was extended to communities in the south, and since then it has grown exponentially. Between 1995 and 2005, the number of agency stores more than doubled, from 82 to 194; total agency store sales jumped by 360%, from \$17 million to \$78 million per year; and average sales per agency store have roughly doubled, from \$207,000 to more than \$400,000 annually.

The rapid growth of the agency store program is a threat to Ontario communities for all the reasons that outright privatization is. So let's be clear: An agency store is a private business whose owners have a direct stake in maximizing alcohol sales and profits. This interest will always be in potential conflict with the local community's need to prevent alcohol-related problems, including drinking and driving and sales to minors. And while LCBO policy requires agency stores to train staff in social responsibility and track challenges and refusals, the reality is that the LCBO's system for monitoring agency stores is not up to the job of ensuring that they don't sell to kids or people who are intoxicated.

The fact is that alcohol is not just another consumer product like orange juice or Froot Loops. It should not be on sale in stores that serve people under the age of 19. Presumably, that is why Minister Sorbara committed his government to keeping beer and wine out of corner stores. But most agency stores are corner stores or grocery stores or gas stations. That's why it is so troubling that in May of this year the Ministry of Public Infrastructure Renewal announced plans to open new agency stores in another 20 Ontario communities. This decision violates a pre-election commitment by Premier McGuinty to stop further expansion of the number of agency stores and it runs directly contrary to the clear

evidence of the public health risks. Or, to put it differently, the continued growth in the number of agency stores, whether consciously or not, amounts to a government policy of turning a blind eye to the health and safety of our communities, including the risk of increased drinking and driving and sales to kids.

This immediate risk to communities is only compounded by the threat agency stores pose to existing LCBO outlets. The original rationale was that agency stores were necessary to serve communities that could not be served by a regular LCBO store. But over the last decade, agency stores have been cropping up within 10 or 15 kilometres of existing LCBO outlets or in communities where sales are more than sufficient to support a regular LCBO store. A classic example is Beeton, just south of Alliston. A private agency store was opened in the local IGA, even though there is an existing LCBO store just 11 kilometres down the road in Tottenham. What's more, in its first year, the Beeton agency store did more than \$1 million in sales, more than enough to sustain a regular LCBO outlet.

There are other ways that agency stores undercut the LCBO's regular outlets. For example, agency stores are permitted to open from 8 a.m. to 11 p.m., Monday to Saturday, and from noon, of course, till 5 p.m. on Sundays. That's a maximum of 83 hours per week, while the LCBO has cut back the hours of many of its own stores in nearby communities, often to 56 hours a week or less. The LCBO is also ordering many of its own stores to close one day a week between September and May. Many agency stores are also allowed to open on public holidays when nearby LCBO stores are closed, and this when police are mounting a special effort to stop drinking and driving.

Taken together, these policies all put the LCBO's own stores at a competitive disadvantage to private agency store operators. This denies communities access to a full-service LCBO outlet, it undercuts the LCBO's social responsibility mandate and it threatens the future of the LCBO's network of public stores.

The final problem that I want to mention is the complete absence of transparency and public accountability in the approval of new agency stores and in the renewal of existing agency store licences. The theory is that the selection of a host community requires community approval. In practice, however, there is no policy requiring public notification or public hearings and no set process for local approval, such as a vote by municipal council. Following a technical review, the final approval of any community is made by the Ministry of Public Infrastructure Renewal, but here again, there is no clearly stated policy for how such decisions are made. Finally, the selection of the individual store operator is made by the LCBO through a competitive bidding process, once again with no mechanism for local input. Simply put, this is no way to regulate a program that could affect community health and public safety.

Our recommendations are as follows: The public has a clear interest in maintaining and strengthening the

LCBO's mandate as a publicly owned and operated, socially responsible alcohol retailer. Against this standard, the current agency store program just doesn't measure up. OPSEU is therefore calling on the government and the LCBO to take a number of immediate steps which are outlined in the written document we have prepared for you today. These steps include declaring an immediate moratorium on all future agency store openings, including those announced on May 15 of this year, pending a thorough public review of the agency store program. This review should include public hearings in smaller communities served both by LCBO stores and private agency stores and focus specifically on the implications of the agency store program for public health and community safety, the LCBO's social-responsibility mandate and the LCBO's future as Ontario's public alcohol retailer.

In the meantime, we propose several immediate policy changes, including preventing existing agency stores from maintaining hours of operation that exceed those of neighbouring LCBO stores; ensuring that all agency stores are supplied and monitored by the closest regular LCBO store; replacing existing agency stores with regular LCBO stores where the current or projected agency store sales volumes meet the minimum level to sustain an LCBO-run outlet; developing alternative models of small LCBO-operated outlets, such as LCBO kiosks, to replace existing agency stores in areas that are underserved but not able to sustain a stand-alone LCBO store.

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If after the public review it is decided to continue the agency store program, the government and the LCBO should introduce regulations requiring prior public notification in the local media, public hearings and approval by a vote of the local municipal council for both a selection of any future agency store host communities and the approval of any individual store operator. There should also be regulations ensuring that no new agency store location will be considered unless there is no existing LCBO outlet within 15 kilometres, the community cannot be served through an existing LCBO store, current and future demand is not sufficient to sustain either a regular stand-alone LCBO store or an LCBO-operated kiosk, and the approval of an agency store will have not put other area businesses at a significant competitive disadvantage.

Finally, it should be a clear condition of the approval of any future agency stores and the renewal of any existing agency store licence that no agency store will be located in a host business or in a location that could raise risks regarding social responsibility, including the risk of increased sales to minors or drinking and driving; and that any agency store will be replaced by an LCBO-operated outlet if and when its sales volume reaches a minimum level to sustain either a regular LCBO store or an LCBO kiosk.

It is OPSEU's view and that of the members of the LCBO, our own division, that these proposals offer a reasonable framework for reducing the risk that the

current agency store program poses to Ontario communities.

I'd like to thank you again for this opportunity for making this presentation. We would be pleased to answer any questions that you may have.

The Chair: Outstanding, Ms. Casselman. Thank you very much for the presentation. It gives us just slightly over four minutes per caucus, beginning with the government. Any questions or comments? Ms. Smith.

Ms. Smith: I'd just like to start by talking about your own employees for a minute. My understanding, through the testimony of Mr. Olsson this morning, is that the LCBO did an employee attitude and satisfaction survey. I just wanted you to confirm for us that in fact the satisfaction of your employees in the LCBO has increased in the last year over the previous survey.

Ms. Jo Ann Fisher: We haven't seen that survey yet; the results have not come back to the liquor division. To tell you the truth, we have a majority right now of casual employees at 60%, so it would be interesting to us to see who was satisfied, whether it was full-time or casuals.

Ms. Smith: Generally speaking, in the surveys that you've had in the past, your employees have been satisfied with their work environment?

Ms. Casselman: Who wouldn't like to work in a liquor store? The point is—

Ms. Smith: I'm asking the question. There's a survey that's done, your employees have responded. Obviously you know some of the results.

Ms. Casselman: We'd like to see the results of the survey.

Ms. Smith: If you haven't seen the most recent one, perhaps you could comment on the previous one. Generally speaking, the satisfaction of your employees is quite high?

Ms. Casselman: The satisfaction of the employees who have full-time jobs would be high. For those who are having to hold down two or three jobs, one of them being working at the LCBO, it is not high.

Ms. Smith: Okay. Ms. Mitchell?

Mrs. Mitchell: I just wanted to expand on the agency stores, and just for a second I want to talk about how in Huron Bruce we were successful in a couple of agency stores and how important that is to our communities. Our downtowns are really struggling. Our hamlets, villages—in rural Ontario we are losing our population and our business community is struggling. What I hear from my constituents is the need for anchors, so I guess my question—and I'm going to get to the question—is, do you not feel that the agency stores do draw the customers and traffic and that that does act as an anchor for rural Ontario?

Ms. Casselman: Having had a lot of experience with anchor jobs across the province, clearly when you have a full-time job with benefits, you not only anchor full-time workers in your community so they're not having to go out and do a number of different jobs, but you also attract dentists because they have a drug plan and a dental plan. You actually attract other professions to your community

because you have full-time employment in that community. That's why we're arguing that when they reach a certain financial standard—and having spent a lot of time myself as a youth in those counties you represent, I'm sure there's probably a minimum standard they've reached there—to have full-time employment, open up an LCBO store and have full-time employment, and have workers there who have benefits and a pension plan and who want to stay in those communities and contribute and attract other professionals.

Mrs. Mitchell: But the agency stores are one way of getting it. I'm going to pass it back to Ms. Smith.

Ms. Smith: You weren't here this morning, but Bob Peter did note that there were at least two agency stores that they were considering looking at as permanent stores because of the sales numbers.

I come from northern Ontario, where agency stores are incredibly important to our communities. I have a number of communities right now that are seeking agency stores, so I was somewhat surprised at your recommendation that we do public consultations. We're getting public demand. We don't really need the consultation back again, because we know they want them and need them.

I just wonder about your assertion in your presentation that there is more service to youth and more drinking and driving problems associated with agency stores. On what do you base those assertions?

Ms. Casselman: It's the profit model. Clearly, when you have kids serving kids, you're going to have a different kind of criteria, I think, in who's going to be serving who.

Ms. Smith: So you have no evidence of that being the case? You have no statistical evidence of that being the case out of agency stores?

Ms. Casselman: Terry?

Mr. Terry Moore: What we have is anecdotal evidence from our members. In the C and D stores, which are in the areas around agency stores—they're what's called C and D stores—the store managers are in the OPSEU bargaining unit, and we have an agency store committee that's been created and populated by C and D store managers. We're in the process of working to develop a complete picture of the agency stores. One of the reasons we're asking for the committee's help with regard to studying the agency store problem is that we don't have the resources to completely study the entire system, but we're doing our best. We have anecdotal evidence from our members with respect to underage kids basically seeking to be served at an LCBO outlet and being refused, and going down the road to an agency store, getting served, and then coming back and going like this to our members. So there are examples. We don't have survey numbers for you.

The Chair: Thank you. I'm sorry, I just have to keep it on a tight time frame. It's time for the official opposition. Mr. Tascona.

Mr. Tascona: Thank you for the presentation. I'm truly shocked that Mr. McGuinty broke another pre-

election promise. How did he make that promise? Was that one in writing, or is that just another verbal one? Did you have that in writing that he wouldn't do that?

Mr. Casselman: On the agency store one?

Mr. Moore: That was verbal.

Mr. Tascona: It was verbal.

Ms. Casselman: Yes.

Mr. Tascona: Okay. Seeing that he broke another pre-election promise, how many stores has he opened since October 2003? There were some figures on that; they're up to 215. How many has he opened since October 2003, do you know?

Ms. Casselman: We'll get that number for you.

Mr. Tascona: Okay. Are you currently in negotiations with the government?

Ms. Casselman: No. We have a settled contract.

Mr. Tascona: When does it go to?

Ms. Casselman: The end of 2008.

Mr. Tascona: Does that contract deal in any way with the agency store issue?

Mr. Moore: Yes. There's a letter of understanding with respect to agency stores that's contained in the collective agreement.

Mr. Tascona: Is there any way you could table that with the committee so we could have a look at it?

Ms. Casselman: Sure.

Mr. Tascona: With respect to the risk with the agency program, which you point out at page 6, I guess I'd understand the risk to be an LCBO store closure, staff reductions at existing stores or a reduction in hours that they normally have worked. Has any of that occurred to date in terms of the impact of the agency stores?

Mr. Moore: Yes, we believe so.

Mr. Tascona: You believe so. Has there been, for example, any store closures because of—

Mr. Moore: No store closures, but reduced operating hours.

Mr. Mike Sullivan: What we're finding in some of the rural areas of the province is that there have been stores that were six-days-a-week operational stores that are now five-days-a-week operational stores. There's also been a reduction in overall opening hours of our own operational stores. Where every store in the province was open from 9 a.m. in the morning until 6 at night, 10 at night, depending where you lived, now the majority of the stores remain closed until 10 a.m. in the morning.

Mr. Tascona: What period of time does that collective agreement cover?

Mr. Moore: It actually expires on March 31, 2009.

Mr. Tascona: But when did it get entered into?

Mr. Moore: Last summer.

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Mr. Tascona: Last summer. What is the nature of the commitment with respect to agency stores?

Mr. Moore: There's a letter of understanding which contains a number of commitments, one of which is that there will be no closure of an existing LCBO outlet as a result of the operation of the agency store program and no reduction in the operating hours as a result of the operation of the agency store program.

Mr. Tascona: Okay.

The Chair: Last question.

Mr. Tascona: That's fine. I appreciate the presentation. It's very informative.

Ms. Smith: Chair, just to clarify one of the questions he asked about the expansion since 2003, my understanding is that the 20 announced this spring are the first expansion since 2003 of the agency program.

The Chair: Thank you. Mr. Bisson, four minutes.

Mr. Bisson: Thank you. Give me a quick answer to this question. Are you aware that there's any monitoring mechanism by the LCBO to watch the refusal rate in agency stores? We track it through our stores, but do we track it with agency stores?

Ms. Fisher: Yes. It was mentioned earlier about managers doing inspections in those agency stores. They are given the same forms that the LCBO stores have, the challenge and refusal report. They'll have them at the different cash registers, and those cashiers will identify with a check mark if somebody has been challenged. Those get recorded and sent to head office.

Mr. Bisson: Do you have any idea what the results are? Have you ever seen them?

Ms. Fisher: No.

Mr. Bisson: One of the things that's being asserted, and from what I understand is the case, is that a number of regular LCBO outlets have had their hours reduced and they're having to compete with agency stores that are open longer. Do you have a list of who they are and how many hours specifically? Can we get that?

Mr. Moore: We're in the process of trying to work with the LCBO to get a whole bunch of information with respect to agency stores, including precisely that kind of information. The LCBO is committed to giving us the information they have available. We have not received it yet.

Mr. Bisson: To the clerk of the committee, if we can have that information added to one of the questions I want to ask the LCBO.

The Chair: Noted.

Mr. Bisson: The other thing is that you say you want municipalities to have a role in the decision-making process of opening up an agency store. If so, whom? Why? I think I know why, but why?

Ms. Casselman: It probably takes it out of one political venue and puts it in another, but clearly the municipal structure would know their areas more clearly than someone sitting in Toronto trying to guess where to stick them in Huron-Perth or wherever, right? It's a matter of having some local input, because they know their communities. They know where the problem spots are and all those kinds of things. It would behoove them to do that.

Mr. Bisson: Have any of your members been laid off or had their hours reduced because of the agency stores?

Mr. Sullivan: Not that we can prove.

Mr. Moore: There has been a reduction in hours that we believe is related. But can we prove that? We suspect it; we can't prove it, no.

Mr. Bisson: So nobody per se has been laid off, but people have had their hours reduced.

Ms. Casselman: Yes. When we get letters from the Ontario Public Health Association written to the Premier in June saying they have a concern about agency stores—it's not just us looking at protecting our jobs; it's actually other organizations, public health organizations, that are concerned about the proliferation of agency stores and access to alcohol.

Mr. Bisson: If you had one question to ask the LCBO directly through this committee, what would it be?

Ms. Casselman: Why don't we do a test case with a Beeton store and convert it to an LCBO operation and see what happens up there?

Mr. Bisson: That was going to be my next question. You beat me to the punch.

Ms. Casselman: Sorry.

Mr. Bisson: I asked the question this morning of the LCBO: If we do end up in a situation where an agency store is showing that there is actually a demand for what would be a regular LCBO store, why is it we're not doing that?

Ms. Casselman: That's the question.

Mr. Bisson: Thank you.

The Chair: Mr. Bisson, thank you very much. Ms. Casselman and the gang from OPSEU, thank you very much for making your presentation today.

Ms. Casselman: Thank you.

The Chair: The questions that Mr. Tascona and Mr. Bisson want answered, if you have input on those, please give it to me through the clerk of the committee and we'll distribute it to all committee members. As you know, at the end of this process there will be a report coming forward from the committee to the assembly. Thank you for your participation in that, and hopefully you'll enjoy reading it.

Ms. Casselman: Thank you very much. A belated happy Labour Day.

The Chair: And happy Labour Day. Exactly.

I don't believe the Grape Growers of Ontario are yet in attendance at the committee. They're the next scheduled deputation before the standing committee.

ENVIRONMENTAL COMMISSIONER OF ONTARIO

The Chair: We are, however, blessed to have, early, Gord Miller, the Environmental Commissioner. Now, is the proper title His Honour, His Eminence?

Interjections.

The Chair: Some call him Gord. Folks, I'm going to ask the Environmental Commissioner, Mr. Miller, to come forward early, and hopefully we will be able to see if the Grape Growers of Ontario have been delayed. I'll give Mr. Miller a few moments, because he didn't have much notice on this, to get his slide show presentation put together. Mr. Miller has also brought a summary of what looks to be a PowerPoint presentation that's being handed out to committee members. We thank you,

Commissioner, for being so kind. I have no other way of filling the airspace here. I'm trying to stretch this as long as I can.

Mr. Gord Miller: You're doing a wonderful job.

The Chair: People are asking for some silence. In fact, this is the first of the commissioner's two appearances before the standing committee this week.

Mr. Miller: Showing the breadth of interest this committee has in the environment, and I thank them for it.

The Chair: Absolutely. You'll be appearing before us for Hydro One on Thursday.

Following our rotation model, so the members are aware, the official opposition will begin the questions of the Environmental Commissioner. When the next group comes forward, the third party will lead off the questions.

Interjection.

The Chair: They are now, and then next time it will be you.

Mr. Bisson: Gotcha.

The Chair: You're all set?

Mr. Miller: I'm set.

The Chair: Super. Mr. Commissioner, welcome to the standing committee on government agencies. You're welcome to make a presentation of up to 15 minutes, and the remaining half hour will be utilized in equal time by the committee for any questions or comments they have on your presentation. Sir, welcome. The floor is yours.

Mr. Miller: Well, thank you very much for inviting me to talk about this topic, which my office has been involved with for many years, as you'll see. I have a series of slides that I think will capture the essence of our concerns at the Environmental Commissioner's office. I'm going to talk about the issue from our perspective and some of the history, to give you perspective. This may be repetitive, something you've heard, but allow me to cast my presentation in this form—the situation, as the Environmental Commissioner's office sees it and some suggested actions to improve the situation, and just a summary sheet. That's what we're going to do.

The issue, I think you've probably anticipated, is LCBO containers: LCBO containers and their fate. Of course, they're inextricably interwoven with soft drink containers, which has been a big concern in our province for many years. The question is how to best recapture the embodied energy and the material value in these containers in the most environmentally sound way.

Now, we presently use the blue box, but it's not working well, in my opinion, and the municipalities don't want the containers in there. So we have a challenge regarding LCBO containers.

A little bit of the history: I think the story starts in 1962. Mr. Chair, you won't remember this, you weren't around, but I was. I was nine years old. The way we financed our activities in those days was to collect pop bottles out of the ditch and take them to the corner store and buy candy.

Mr. Bisson: Yepper.

Mr. Miller: You were there too.

Mr. Bisson: Same store.

Mr. Miller: Probably, and certainly the same town.

But in 1962 the first pop can emerged on the market, and that changed everything and started a long, multi-decade battle, which is really a shift from a totally refillable soft drink container structure to a non-refillable.

LCBO first appears in the story, in our records, in about 1991, when the MCCR tried to make the LCBO introduce refillables. The minister at that time tried and was met with considerable opposition; in fact, the effort failed.

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In 1994, we introduced the mandatory blue box. It had existed in some places before, but it became mandatory in 1994.

In 1997, my office recommended that MCCR study refillable PET for LCBO containers as a possible solution to this. PET is polyethylene terephthalate, the clear plastic bottle that we see so much of, probably in front of the chairman there.

In 1997, the city of Toronto did two things: They filed a request for a review under the Environmental Bill of Rights to review this whole policy, or the need for returnable containers at LCBO. That review was rejected. As well, they passed a bylaw requiring deposits on LCBO containers in the city of Toronto. That bylaw was neutralized by action by the Ministry of Municipal Affairs and Housing at the time.

In 1998, the LCBO came up with \$4 million in blue box funding.

In 1999, my office again discussed a deposit return as a more environmentally sound way of dealing with these materials.

In 2002, the LCBO upped the contribution to the blue box. This is money that goes into the blue box process so that some costs of collecting these containers are offset. It's \$5 million presently.

In 2005, there was the beverage alcohol system review panel. They recommended keeping the deposit return for beer bottles but doing an independent study of the life cycle of LCBO containers to determine the best system.

That's the history. As you can see, my office has been involved quite far back, and certainly the municipalities. This thing has been stewing and brewing a long time, and I'm going to cast the situation as I see it right now.

To start off with, there's a lot of jargon about recycling and what it really means. One has to sort of tease through the recycling term. Actually, of course, I'm using it myself in a very casual way, because the first thing I'm talking about here is refilling containers, and that's not really recycling; that's reuse, strictly speaking, according to the definitions. But I think for the layperson, for people talking, the concept of recycling is that it goes back to some other use.

In fact, you can think about these containers in four levels of recycling-type activity. (1) The container can be returned, cleaned and refilled. That's certainly the greenest, most environmentally sound way to do things. (2) Clean, segregated material can be taken back and remade into a new container. When that's possible, that's

not quite as good but certainly a very good green use as well. (3) The next tier down would be when material from the containers is recovered, usually in a blue box, and reprocessed into something else, some later end use. That's often termed down-cycled, not recycled, but that's another possible tier of this. (4) Finally and, of course, the least desirable outcome for this material is to be lost to landfill.

We've been watching what's been happening at the LCBO. I'm going to go through a very quick series of slides with a number of figures, how we see it happening. I'm going to caution the committee that in this area every figure everybody has is in contention, so all I can do, as an impartial observer with a known bias towards the environment, is tell you that this is the best we can come up with, trying to read everything everybody has given us.

Let's look at glass. I'm excluding refillable beer bottles. There is, of course, a small stream of regular Ontario beer bottles that comes through the LCBO and is largely captured by the Beer Store, hopefully. Ignoring that stream and looking at the non-refillable beer and all the other glasses in the LCBO, and the wine and spirits, what's happening now?

Refilling: Ignoring the beer, this doesn't happen. Remade: About 20% of the glass containers are finding their way back to the manufacturers of glass containers. That's according to the manufacturer. The rest is recovered to some degree in the blue box or it ends up in landfill. We're quite confident that about one third goes to landfill, in the strict sense of being absolutely lost. There is quite a bit of debate about that other 48% or so. Some of it certainly goes into better quality uses like fibreglass and other products, but some of it gets crushed as mixed broken glass and goes into cover on landfills—it may not be counted as landfill then—or it goes into road construction. It may not be counted as going to landfill if it goes to road construction. But certainly those are lower uses.

The objective, from my perspective, in a sustainable society is to move up this scale, to push the numbers up through these uses so that we don't have big numbers on the bottom; we have bigger numbers up at the top, to the extent we can. Glass is an ideal example because glass can be refilled and everything pushed up the scale. I certainly think there's lots of room to go up that scale.

We look at PET. Well, we have zero refilled PET in Ontario. PET can be refilled. It is refilled in Europe. The ones they refill are not the same ones we use here; they're much heavier, but they are, nonetheless, refilled in the normal manner. Remade? We don't remake PET into bottles. It's against the law in this country because of cleanliness issues, so that's not a factor. But it is recovered into other products like polar fleece. Best estimate? About 55% is being recovered from the LCBO material and the rest is lost to landfill—again, potentially some room for improvement.

Aluminum cans, of course, are the singular best container you can put anything in because they are abso-

lutely, totally recoverable and made into new containers. The percentage for the aluminum cans at the LCBO is very hard to get your hands on. We've looked at all the data we can and our best estimate is that about 45% to 50% is actually captured in the blue box and a tiny bit through the Beer Store when it's returned for deposit. So we're losing somewhere around half to landfill, and that really is problematic because aluminum, if you reuse it, is the best material to reuse. If you lose it to landfill, it is absolutely the most energy-costly material you could possibly lose to landfill. It's a horrendous waste from an environmental perspective.

The last is the aseptic cartons, which I'm sure you've heard about. They are not refilled, in any case. They are not remade. These are the cardboard, aluminum and plastic containers. They are recovered and downcycled into other uses. The fibre is recovered. Somewhere between 13% and 25% of the LCBO material is recovered and the rest is lost to landfill.

Interjection.

Mr. Miller: Tetra Pak. Sorry. Yes, brand name. Again, the numbers are very heavy on the bottom end of this scale here.

How do we improve the situation? Well, it's clear. The position of my office has always been a deposit-return system for all LCBO containers, using depots or beer stores, because the LCBOs recognize that they're not set up to receive returnables at this time. That's clearly the way. This is done everywhere else, including our own beer stores. The recovery rates and the reuse goes way up. If you have a deposit return, one of the things it does is support recovering what we call a clean cullet for remaking bottles. Right now, I'm sure you'll hear that most of the glass in the blue box comes out as mixed broken glass. That's where clear glass and coloured glass are mixed and broken up, and that becomes a lower-quality product. If you had clear flint glass, the flint glass-makers would grab that and make new bottles, and if you had segregated glass, that's what they want for remaking bottles.

If you have deposit return, it makes the possibility of refilling glass or refilling PET viable. Finally, on a very basic level, it's very clear from experience everywhere around the world that if you have deposit return, you will increase recovery and the capture of PET, of aseptic cartons and of aluminum cans substantially. For those reasons, I fully endorse deposit return at the LCBO.

How would you pay for it? This is probably one of the few government programs or government things I've ever seen that has enough money to do it. Unredeemed deposits and deposit returns are used to feed the deposit return system. As well, we have—I'm sure you've probably discussed it—this environmental levy. The Ministry of Finance has an environmental levy levied against the non-refillable containers that amounts to about \$65 million a year. This levy was put on to encourage the use of refillables. Well, I can't see any better use for that money that is presently just streaming into

the consolidated revenues. Perhaps the finance minister won't be pleased, but nonetheless, the money is there.

Finally, of course, there is a \$5-million contribution to the blue box, depending on the system that came in with deposit return, that would be freed up or available for funding this as well. So there doesn't seem to be a money problem.

How else do we improve the situation? There is another option that I would hope you consider, and that is, if you look at the LCBO as a government agency, and the decisions made by the LCBO in that way are an expression of the government, an expression of the will of our society, then perhaps the LCBO should be a prescribed agency under the Environmental Bill of Rights. The Environmental Bill of Rights, as it exists, recognizes that agencies may be prescribed, and if they are prescribed, their policies would be subject to review and comment by the public. They'd also be subject to something called request for review, which is a feature under the Environmental Bill of Rights where the public can file applications for a request for review on policy decisions as they impact the environment. So that is certainly an option here that would change the focus of the LCBO to being one that is much more responsive to the thrust of public policy in Ontario.

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In summary, the present LCBO system does not incent refilling or the highest use of container materials. Deposit return would improve environmental performance and outcomes. Sufficient funding seems to be available, and prescribing the LCBO under the EBR would increase transparency and accountability of their decision-making.

The Chair: Thank you very much, Mr. Commissioner. It's good to see you again. I appreciate the presentation. We'll now proceed to any questions or comments, beginning with the official opposition. We have about four minutes per caucus.

Ms. Scott: Thank you very much for coming before us today, Mr. Miller—a good presentation. Certainly, since I was elected in 2003, I've heard a lot from my constituents about why the LCBO does not have recycling, so you've brought a lot of those issues to light.

We had members of the Liquor Control Board of Ontario in earlier today, and they were asked in various questions about why they don't have bottle return. You're right: There are lots of statistics that vary in different groups. They brought in about foreign product and recycling foreign product, like different bottles of wine. Do you have any comment on that? You had some various choices that you could make for recycling glass etc. Could you comment?

Mr. Miller: I think you want to create a public bottle-return regime. To simplify it down, let's talk about wine bottles or even spirit bottles. First of all, you want to make it possible for any Ontario producer to reuse bottles if they see it's desirable. I can picture one manufacturer down in the southwest that has the most elaborate bottles, where the beautiful designs are embossed right on the bottles. Certainly, if there's some desire amongst manu-

facturers to do that, we should encourage that. The foreign bottles that come in are just glass cullet. They can be melted down and reused and sold into our own market or other markets by our manufacturers. So I don't see it as a problem; I see it as creating options. They're not forcing people to reuse bottles, they're not forcing people to do one thing or the other, just creating and incenting the system so that the highest possible use is made of these materials.

Ms. Scott: You mentioned the blue box system. They felt they were contributing to the blue box system, but you mentioned that a few municipalities aren't happy with it etc. Some of the glass is mixed, so therefore it's not used, its best use is not there. Do you have any comment about the blue box program and recycling? How could that mix in? Do you keep the blue box?

Mr. Miller: Absolutely, the blue box would stay, the glass from the LCBO being a major contributor of glass to the blue box. Glass is heavy, and glass bottles, wine bottles and such have a high volume and consume space and weight in the blue box. If you like, when you're picking up materials, it's a matter of how many trips you have to make to empty your trucks. So if we had a deposit return and got most of that glass out of the blue box, the blue box would still be very viable and used very extensively. I think that's what the municipalities will probably tell you, that it doesn't threaten the blue box program; in fact, it makes it somewhat cleaner and simpler. Glass is not a high-value material for the municipalities, because they use this mixed broken glass, and it's a problem for them. So I can see the blue box program actually operating better and more efficiently from the municipalities' point of view without LCBO glass, if LCBO glass was finding its way through a deposit-return system.

The Chair: Thirty seconds.

Ms. Scott: The environmental levy of \$65 million—it's not clear where it's going right now, what it's funding. You say that could go into the LCBO recycling program.

Mr. Miller: I might add, I'm not an economist and I haven't worked the numbers, but we've done rough calculations, fooling around with this, looking at costs that are being incurred. The \$65 million is far and away more than is required here, so it's not about using the whole amount. I just make the point that there's revenue there to the province. It is for that purpose, ostensibly. Certainly, if there's a shortcoming, I wouldn't want that it should be tapped into.

Mr. Bisson: You've kind of answered part of my question, but I want to just be clear. You are not advocating—you would not support, I guess would be the best way to put it, mandating a standard bottle in the wine industry in Ontario. You're saying go the route of incentives.

Mr. Miller: That's right. Create an environment in which various producers can choose the path that they choose, because I think some of the wine producers in this province, for instance, may choose to refill for their own sake, for their own environmental intent.

Mr. Bisson: If we had some sort of incentive program that said, "Okay, for the wine industry and the liquor industry here in Ontario, here are some standard bottles you can use," and created some sort of incentive for them to use them, you're saying, at the end of the day, that may have a positive impact on recycling.

Mr. Miller: I think to the extent that we can get bottles into a cycle of being reused, it is a desirable thing environmentally, yes.

Mr. Bisson: I asked the LCBO earlier why it is that we don't put blue boxes at the LCBOs themselves. Is there a reason for not doing that from an environmental point of view?

Mr. Miller: Not from an environmental point of view. I think the issue is that the blue box is a municipal program and the LCBO sees itself as a commercial activity.

Mr. Bisson: I was fascinated with some of your numbers, if you can actually flash some of them up when it goes back to the government side, because I want to take some down. The amount of stuff that actually doesn't get to the landfills is a lot higher than I expected. Obviously, it should have some benefit. If you were to mandate the LCBO, by way of policy, to have municipal blue boxes at their outlets, there may be a positive impact on being able to take some of that out of the garbage stream.

Mr. Miller: Certainly I would agree. From our look at the issue, part of the reason—because there are some real mysteries, and I think this gets to your point, Mr. Bisson. Why isn't material coming back through the Beer Store, for instance? Some of the positive stuff from the LCBO is weak in terms of returns, especially in aluminum. I think the issue is that people go to the LCBO, they buy their beer and liquor there and they come back to their point of residence, and it may or may not make it into their home blue box.

Mr. Bisson: Just the very last slide you had is the one I'm trying to get. It's the one I missed.

Mr. Miller: Which one?

Mr. Bisson: After cans. Yes, that's the one. My last question is, are there any stats on refillables? I know in Europe and different places that I've seen some writing on, people go in with their bottle and they pick up their wine. What has that meant as far as overall reduction into the garbage stream?

Mr. Miller: I have no stats to give you now, but we have looked at it. There are stats available from Europe, and the rate of recovery and reuse is very high. It approaches what we're achieving at the Beer Store, although the Beer Store is probably the best in the world.

The Chair: To the government side. Ms. Smith.

Ms. Smith: Lovely to see you, Gord. I have some questions about Tetra Paks, which you call aseptic cartons. I'll just call them Tetra Paks, because I find it easier to say. In your presentation on that particular slide you talk about the fact that 75% of the Tetra Paks are lost to landfill. However, we heard earlier that Tetra Paks have only been introduced in the last year or year and a

bit at the LCBO. So I'm wondering where you're getting these stats, because it seems odd.

Mr. Miller: We look at the LCBO stats and blue box stats from municipal reporting, and we've calculated—if you look on the Tetra Pak website, they claim 23% or 25% themselves, so that's the higher figure. The 13% comes from one of the other estimates; I've forgotten which one. Tetra Paks, of course, have only been used in the LCBO recently, but they've been in use in our society for quite a period of time, so there is quite a blue box history. On blue box funding, they have to pay and there have to be measurements of recovery rates.

Ms. Smith: Right. But I also understand that the Tetra Paks have been used historically for juice boxes for kids, and that through the schools they haven't been processed through the blue box system. So the numbers in the blue box system don't necessarily reflect the level of recycling for those containers.

Mr. Miller: True.

Ms. Smith: I did also want to talk about the containers themselves. My understanding is that as far as space and waste, they take up much less in a landfill if they ultimately end up there than the glass bottles do. So with the LCBO heading in that direction, wouldn't you agree that at least it's moving in the right environmental direction with respect to these kinds of containers?

Mr. Miller: The issue about how environmentally friendly Tetra Paks are relative to glass really is a technically complex one and one we're struggling with and we have not had the time and resources to come to a final conclusion. There are some other variables. Weight is a big factor, but glass is an inert material. Tetra Paks have aluminum and plastic and wood fibre, so that's a complex material and there are implications there. The energy cost of aluminum is high. At LCBO, shipping weight is perhaps not that big an issue because the Tetra Paks are being filled locally here and the bottles, let's say Niagara, are filled locally as well, so there aren't long shipping distances except for the foreign stuff, and of course we don't control that. It's a really complex thing. I won't disagree with what you say, but I'll say the jury's out in my shop on the environmental benefits of one or the other.

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Ms. Smith: They tell me I only have one question, but I actually have two—they're very quick. I want to know what you mean by "unredeemed deposits." My other question, slightly tongue-in-cheek, is, is this the only time you've suggested where that \$65 million could be spent?

Mr. Miller: Yes, on the \$65 million. Under—

Ms. Smith: Really? The only place you, as Environmental Commissioner, have ever thought it should be spent?

Mr. Miller: Yes, because it's supposedly dedicated.

On the unredeemed deposits, in every deposit return system that's ever operated there is a percentage that doesn't come back. Those deposits that don't come back aren't claimed. As such, there's money left over, and that money is typically fed into the administration.

The Chair: Mr. Commissioner, thank you very much for your presentation and your responses to government and opposition members' questions. As you know, at the end of the day there will be a report coming out of this to the Legislative Assembly, so hopefully you can look forward to your input as part of that report.

Mr. Miller: Thank you, and we'll see you on Thursday.

The Chair: We look forward to it.

GRAPE GROWERS OF ONTARIO

The Chair: Folks, we have now been joined by Debbie Zimmerman, the chief executive officer of the Grape Growers of Ontario. Certainly I know that getting caught on the Queen Elizabeth highway is often a very unpredictable circumstance for your drive time, so, Ms. Zimmerman, welcome to the standing committee on government agencies. Please make yourself comfortable.

Ms. Debbie Zimmerman: Thank you, Mr. Hudak. We do need that Niagara-GTA corridor.

The Chair: There we go.

Ms. Zimmerman: I'm not here to speak about that today, but I'll throw that in while I'm here.

The Chair: I knew that would be a good pitch to throw up there.

Mr. Bisson: You should get the local member to get you a better highway.

The Chair: Ms. Zimmerman, you've been here, so you've seen how the committee works. You're welcome to make a presentation from the Grape Growers of Ontario's point of view about the LCBO, and then we'll have questions in the remaining time from all three parties, beginning with Mr. Bisson from the third party. The floor is yours.

Ms. Zimmerman: Thank you very much. Members, I do appreciate the opportunity to present today. I want to start out by saying that first and foremost, as CEO of the Grape Growers of Ontario, I represent an agency that looks after about 540 of your finest growers in Ontario. I really don't want to talk about what's wrong with the LCBO and how we can make changes to make it right; I want to talk about how we can work together to make it better.

The Grape Growers of Ontario do depend on a healthy value chain. That means producers, obviously growers and, at the end of the day, a very healthy distribution channel. And the distribution channel that we currently have access to for most of our fine products that we produce out of Ontario grapes is the LCBO. But we're also in a situation, quite frankly, in Niagara and parts of Ontario where our growers are in a greenbelt, and while we support wholeheartedly the greenbelt and we think in fact that the government of Ontario has done a lot of the right things to preserve this land for the future, the challenge for our growers is, how do we grow our product when we're limited in access to market? So one of the things I want to talk about today is that, hopefully, out of all of this before the standing committee we would like to

see changes made where we have more opportunity to access the market through VQA.

VQA, as most of you know—and if you're not buying VQA wines, shame on you, for you should be—is the hallmark of Ontario and the most responsible way in which our growers can grow quality and grow the finest wines. Part of our challenge doesn't rest with the LCBO; it's some of the government policies over the years—I won't label one government, because I think they're all responsible—for issues and relative importance where there has not been enough emphasis on what we call VQA. Data we have received—and if you look across the LCBO store system in Ontario, we do not have enough VQA wines on the shelves. We want to congratulate the government of Ontario because they have signalled their intent to improve more access for these wines at the LCBO. But without marketing strategies long-term—

I want to congratulate the LCBO's CEO/acting board chair, because he has sent the right signals to our industry, that he wants to talk about how we grow a varietal that will be successful in Ontario. And there are many, many varietals that are not yet on the shelves. In fact, there are so many small VQA wineries that don't have access to the LCBO, not largely through a fault of their own but only because it is very difficult and the margins are extremely high for their product to get on the shelf. Clearly, for those of us who are in a greenbelt, we feel we are being disadvantaged by being in a greenbelt without government policies that give our growers an opportunity to grow their product.

About 60% of Niagara's lands and Ontario's lands are currently in the greenbelt. Of those lands, we have about 45% that are under grape growing. We would like to grow that land base, but I would say to you that our growers are extremely reluctant to put that kind of investment into the ground unless there is an open-access distribution system for their product. We are making great strides—we are, currently—but we believe that there are opportunities to grow through the LCBO and, in particular, opportunities for VQA.

I know you've heard a lot, and I know Member Hudak has a VQA bill that we admire. We also know that there may be some trade barriers with regard to that bill. We'd like to take it one step further. We'd like to suggest that potentially VQA could come under the LCBO. The LCBO, in our regard, since it's an agency of the government of Ontario, and in fact I would say the Ontario government is their owner—we would suggest that there be a VQA division developed under the LCBO.

Again, we think because the LCBO can print licences at their will rather than what we're currently facing, and I say that tongue-in-cheek, many of our off-site winery retail stores—if you recall the alcohol beverage review report that was commissioned by Minister Sorbara, that report in fact suggested that there be an equalizing of those winery retail licences. For those of you who are not familiar with this system, currently there are about 290 of these licences in Ontario, and they're owned by only two players: Vincor/Constellation and Andrés. Unfortunately,

those licences clearly disadvantage our small wineries. Many of those recommendations of the alcohol beverage review report, which we recommend, should have been moved on, but unfortunately they have not. We do support that report wholeheartedly and would suggest that this government take a second look at how those licences could be more fairly distributed amongst our small wineries.

If that does not happen and if we continue to operate in a very isolated system where we only have access to the market through the LCBO, we feel that many of our growers will not continue to be successful in the greenbelt, and I think, quite frankly, that many of our growers would not be willing to make the kind of investment that is necessary for the future. We think there are options available to the LCBO through the government of Ontario, but we also believe it is a partnership, and it is a long-term partnership. It should be a partnership where we grow the VQA side of our industry.

Quite frankly, if you look at the taxes generated by the LCBO—I think they've done a remarkable job and that is why they're one of Canada's most successful companies—if you look at it in that perspective, the fact of the matter is that every vine that is planted in Ontario generates \$13 in tax for the province. If you equate that out, it's around \$250 million each year in actual tax dollars that are generated by our industry. You cannot have wine without grapes, so I take you right back to the vineyard, where the taxes are generated from our product.

We believe that in order to grow the economy within the greenbelt, we need policies that help our industry grow. Our growers are determined to be successful, and we're also determined that we are going to grow the best for Ontario. It does us no good to have a wine of Ontario that contains 99.9% imported product. We feel that would not be good for us for the long term. So we are quite determined that we will, and we would like to see some of the changes made into our product base.

We do congratulate the government of Ontario again for taking a hard look at our industry. We are fortunate that we have five deputy ministers currently working with us on a number of issues. We think that that will generate more opportunity for us to grow the VQA side of our industry.

I don't want to continue to talk too much, Mr. Hudak. I would certainly like to leave enough time for questions and answers if any of the members have some, and I'm sure they do.

The Chair: Ms. Zimmerman, thank you very much for a presentation that does leave lots of time for questions. That's always a bonus, and we're beginning with Monsieur Bisson, if I'm doing my—let's see; you surprised me by ending early.

Mr. Bisson: The answer is yes.

The Chair: With about six and a half or seven minutes each, M. Bisson.

Mr. Bisson: Thank you very much, and again, welcome. What are the barriers to getting your products on the LCBO shelf?

Ms. Zimmerman: I think some of the challenges, obviously, for small wineries are the margins that make it difficult. Currently, the number of cases that they need to have on the shelf and so forth are challenges most small wineries have in Ontario.

I think one of the most difficult things for small wineries is the exposure and marketing. The distinct advantage that the winery retail store system has—and this is the off-site store system. You have to be clear here on what I'm saying. These are the stores that you see in the grocery stores. Of those 290 licences, two of the largest players own a majority of those licences. So they get to trial their products to the consumer. Small wineries have one chance: out their back door or hopefully on the shelves of the LCBO. If you had a winery retail store system, which currently is monopolized by two large players, it would be a heck of a lot easier to get your product on the shelf if you had the same access to market.

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Mr. Bisson: That was my point, because you have some of those in grocery stores and whatever, and the wines that I see there are the ones that I buy at the LCBO. I don't see any small wineries per se in the markets that I'm in. So how are they advantaged going through them rather than the LCBO?

Ms. Zimmerman: Okay, what you have to clearly understand here is that there are two players, Andrés and Constellation, so only their products are on their shelves at an off-site winery retail store. Only their product is on their shelves, so they wouldn't sell, let's say, as an example, a Henry of Pelham wine, which is a mid-size winery.

Mr. Bisson: So the problem, then, is that the smaller I am, as far as quantity of product, the more difficult it is to get it on the LCBO shelf.

Ms. Zimmerman: There are some very good programs that the LCBO has come up with. There's a craft winery program that they have started as well, and there are more opportunities to try to encourage them through that stream. I would say we need more of our VQA wines, our varietal selection across Ontario in general list and Vintages. Those are the two components within the LCBO that will help grow our industry. This is a key component for small wineries to get on the general list, stay on the general list and get into the Vintages section. That's why, if there is an opportunity to create a VQA-only store under the auspices of the LCBO, we would encourage that. We encourage that for consideration, we encourage that as an alternative option to what is presently being suggested. We believe VQA is our future as growers, and as long as you're going to protect the land, we need insurances that there's going to be a protected marketplace as well.

Mr. Bisson: So what can this committee do to assist you in getting to the point of getting your grape growers on the LCBO shelves? Is there something we can recommend?

Ms. Zimmerman: There are a number of things. Obviously, it goes back to the alcohol beverage review

report that was originally suggested. There were a number of things about equalizing access to the marketplace. Those winery retail store licences that were originally issued were issued to compound the fact that we needed to create opportunities for the Ontario marketplace. They were grandfathered in 1993, which means there's no new access to those licences. We think there should be an equal distribution of those licences across Ontario.

LCBO has done a wonderful job for our industry. I'm not here to diminish the role that they play. What I'm suggesting is that it can be a better role in the future of Ontario's grape lands, and particularly we want to see the success of the greenbelt.

The Chair: Mr. Bisson, thank you very much. The government members. Mr. Parsons.

Mr. Parsons: I represent Prince Edward-Hastings. I suspect when you hear, "Prince Edward county," your reaction is, "Oh, Prince Edward county, the winemaking capital of the world."

Ms. Zimmerman: We were just there last weekend, so we would agree with you, for now.

Mr. Parsons: That seems to be the going trend that I hear everywhere I go.

Now, as the wineries have developed—and we've literally gone from zero to about 12 in the last eight years—I got fairly involved in what is a very complex and highly regulated industry, it turns out. I'm quite proud of our government initiatives in the past year for the wine industry, and in the last budget. I hear from wineries in my community about LCBO, and they're very positive things. But one of the things I guess I'm struggling with a little bit is that not all wineries like each other. When I got into some of the restrictions that were making life difficult for new wineries to start, they may have been LCBO regulations from quite some time ago, but they were regulations that were developed because of advice from other large wineries. I get the sense sometimes that the wineries are as interested in competing against their next door neighbour as they are wine from another country, from France or Chile or whatever. I guess my question to you is—and maybe it's getting better; in fact, I think it is getting better—what can the wineries do by working together? You may be from an area that's quite cohesive, I don't know. But there's more than one location in Ontario where grapes are grown and wine is made, and they're highly competitive with each other. I think probably we would make more gains by working together. So my question is, what can the wineries do to work together?

Ms. Zimmerman: I can't speak for the wineries. I think your perception is probably fairly clear, that it's a very competitive marketplace. I think what we have in Ontario, and I ask you to go back and think about this—again, I will emphasize the fact that the LCBO currently, for our small VQA wineries, many of them in Prince Edward county, is the access to the marketplace. The off-site winery retail store licences are currently owned by two players in this province. That's what you can do: You can recommend a policy that opens the door to

access to those licences for the small VQA wineries, or create a VQA winery store system. That's one of the options I would ask you to look at, and whether or not you can do it under the current auspices of the LCBO and their act or under the provincial government. Have a serious look at how we create access to the marketplace for these small wineries. These are not large distributors; these are entrepreneurs in Ontario. These are families that have come together and have decided to put their money into a winery and grow grapes for Ontario—and 100% Ontario.

There are a number of things with regard to the Wine Content and Labelling Act which aren't part of the review of the standing committee today that I would suggest the government have a look at. But clearly, we need to increase consumers' understanding of what is VQA and what is Ontario-grown. There is a misconception out there that Ontario wine is actually 100% Ontario-grown, and that is one of the biggest problems I think we have in the consumers' perception of what Ontario wine actually is. I think the blended product is one of the largest challenges we have. But if you look at the tax dollars generated by 100% Ontario-grown, it's hard to turn your back on the economics of that for the province of Ontario: \$13 in tax value from one vine that's planted in the ground, a tremendous amount of economic potential within Ontario. Our organization represents all of Ontario. We just spent a lovely weekend in Prince Edward county, by the way.

The Chair: Mrs. Mitchell.

Mrs. Mitchell: Thank you very much, Debbie, for coming and making the presentation on behalf of the growers. I just wondered if you would like to expand on how you found the relationship working with the LCBO, the wineries and the growers with "Cellared in Canada."

Ms. Zimmerman: Cellared in Canada?

Mrs. Mitchell: Yes, to develop the new "Cellared in Canada."

Ms. Zimmerman: The short crop MOU? Is that what you're referring to? I'm not sure, really.

Mrs. Mitchell: It's the signage in the LCBO stores.

Ms. Zimmerman: I'm sorry. Yes, okay. There are so many different regulations.

Mrs. Mitchell: You talked about the positive working relationship with the LCBO, and I thought it would be a good idea to give an example of how it all came together.

Ms. Zimmerman: The short crop MOU is not one of our finer moments, I must say, because allowing that much foreign content into a bottle of wine and putting it under a section still labelled as Ontario was a huge concern for us. Unfortunately, the short crop situation forced us to sit at the table—not forced us, but we went to the table with serious concerns again about the consumer being confused about what a wine from Ontario is. We think the LCBO in fact had some wonderful suggestions. Not all of them were incorporated. I would thank the LCBO for at least encouraging a marketing strategy they thought would least hurt the reputation of Ontario wines. That was a difficult decision for us, because obviously,

when people pick up a bottle of wine and it says "Cellared in Canada," that may leave a conception in their mind that it is actually a product of Canada, and it truly is not.

Despite all of that, the working relationship has been exceptional. It's probably better than it ever has been. From their marketing team on down, we've had opportunities to work directly with them, and we are going to use this opportunity to foster a better relationship as we go forward, because, at the end of the day, we know that what goes in the ground has to be sold on the shelf.

1420

Mrs. Mitchell: Just to follow up on that, what, then, Debbie, do you see that the growers can do? You've talked about what the LCBO and the government can do, but what can the growers do, when I think about the "Cellared"?

Ms. Zimmerman: Well, the "Cellared in Canada" is something that we would like to see truly reflect an imported product. If it's going to be "Cellared in Canada," it should be in the portage section; it should not show up in the Ontario section. We want a clear definition of what is an Ontario wine and 100% VQA, as compared to what is an imported product, and we will continue to work with the LCBO on those brand development opportunities. The growers, obviously, will continue to focus on growing quality and growing brands that sell, and that's one of the things we're working on right now with the government of Ontario.

The Chair: Ms. Scott, you have about six and a half minutes.

Ms. Scott: Thank you very much for appearing before us today. You certainly know your industry really well and have helped educate us, I think, today on some of the difficulties that the wine industry faces.

You mentioned the labelling, and I know I get a lot of that feedback from the agricultural community because, say, corn is grown in the States, but it's stamped and graded here. So it says "Product of Canada" when in fact—people think they're buying Canadian corn and they're not. So you have a similar problem. Now, is the LCBO able to change that labelling? What jurisdiction do labelling and content fall under?

Ms. Zimmerman: The Wine Content and Labelling Act is a government policy.

Ms. Scott: Provincial.

Ms. Zimmerman: Provincial, yes, and it's through the government of Ontario that that act would reflect any changes made to it. We would encourage a review of the act. As I said today, I think a lot of what I'm saying is not so much what is missing at the LCBO; it's where the partnership has to work together to grow the Ontario wine industry. When I say, "Ontario wine industry," it's a VQA standard, and that's where we want to be.

We cannot continue to have our prices of grapes compared to product coming in from Chile and Argentina on boatloads up the Welland Canal. That is not going to grow a greenbelt, that will not make a greenbelt successful, and that clearly diminishes our opportunity to successfully grow grapes for Ontario wine.

Unfortunately, you could pick up a bottle of wine—and I love to use a bit of symbolism, but I didn't bring it with me today—labelled "Jackson-Triggs," and they call it "white label" and in fact it will contain up to 75% foreign product, or in this case 99% foreign product and 1% Ontario. That is a confusion the consumers have. We just finished a major consumer report. We have not yet distributed that, but that report in itself showed that consumers are confused about what is an Ontario wine and what is a VQA wine. We would encourage more education.

The only reason I illustrate that today is because of the tax opportunities for the government of Ontario. When you collect that amount of tax from 100% Ontario-grown product, it means that the Ontario economy can be more successful.

Ms. Scott: So some changes to the act would help you. Certainly, I wouldn't be able to tell in a liquor store, unless I had some more education on wines and where products were from.

There was talk earlier this morning from the LCBO, and it was about shelf space and the allotment. I don't know if you want to expand a little bit more on the way the formula works now. It depends on sales, and that doesn't sound like it's giving you any advantage. So I just wanted to know if you could expand a little bit on what you'd like to see.

Ms. Zimmerman: We've heard about the VQA store bill that the member of the opposition has put forward. That's one of the reasons why you've got small wineries calling out for opportunities to sell their product. When you can only sell it out your backdoor or to the major distributor, and you have limits on the shelf space, there is obviously a need to review how much of the Ontario product—100% Ontario product—is actually reaching the store shelves across Ontario.

If you look at some of the data collected, you may go to Wawa, Ontario, and not be able to buy a bottle of Ontario wine. You may only be able to buy two. Certainly, you should be able to buy many more than that, because there are 129 wineries in Ontario that sell 100% Ontario product.

I can't speak specifically to what the formula should be. I would encourage more shelf space for 100% Ontario wine, more shelf space and more marketing. I'd love to see more marketing and, in fact, I congratulate the LCBO. They did a wonderful Riesling marketing program at Easter, and it produced magnificent results. Just imagine if we had a VQA store system in Ontario just selling Ontario product, just like they do in BC. They celebrate their wines differently than we do here. We'd like to see more of it. Why not, under the auspices of the LCBO, give them the opportunity to market? Use their successful marketing and business strategy to create VQA stores.

Ms. Scott: Do we have any more time?

The Chair: You guys, if you want to, have two more minutes left on the clock.

Ms. Scott: Okay. I'll get your comments on the Tetra Paks and the French Rabbit wine that came in. We had a

lot of discussion earlier today about that. It was offered to Ontario winemakers. Is that of any benefit to you? We had discussion of its environmental benefits, or not. Was that offered to you? Is that something that you'll be looking into possibly?

Ms. Zimmerman: I don't produce wine. We grow the grapes that go into the wine. We're saying, whatever sells the wine. We are not opposed to the Tetra Paks, as the Grape Growers of Ontario. They are an opportunity, again. We'd love to see more Ontario wines, VQA wines, but it's up to VQA Ontario to make the decision of whether VQA should go into Tetra Pak. The LCBO had to do what we think is leading edge in terms of both recycling and the marketability, and it is an opportunity. I think if you camp, you travel, you find them more convenient. Our challenge, obviously, is that we want to see Ontario first whenever it comes to any product that is being sold in Ontario. We have to. If we are going to be successful, with our land base frozen in a greenbelt, we have to push for marketing strategies that are going to grow our industry.

Ms. Scott: Good. Thank you very much for coming today. I appreciate that.

The Chair: Ms. Zimmerman, good to see you again. Thank you for your presentation to the committee. Your input will help with our committee's report, which will be tabled with the Legislative Assembly. So thanks very much.

MADD CANADA

The Chair: Our next deputation: MADD, Mothers Against Drunk Driving, Andrew Murie, chief executive officer. Mr. Murie, good to see you again as well. Welcome to the standing committee on government agencies.

Mr. Andrew Murie: Thanks, Mr. Chair. Good to see you again.

The Chair: We'd ask you to make a presentation of up to 15 minutes on MADD's advice with respect to the Liquor Control Board of Ontario. Any time you leave in a total of a half-hour's allotment will be used up by the committee members for questioning in equal shares, beginning with the government this time. Mr. Murie, the floor is yours.

Mr. Murie: Thank you for the opportunity. It's good to see some of the members again. I don't have a lot to say, but I do have a couple of key messages to deliver today.

The first one is, in a recent study for the World Health Organization, one of the key initiatives for controlling alcohol harms was alcohol monopolies—government control. Why? Because they have trained staff. They control sales to minors, intoxicated patrons. There are higher taxes on alcohol products. There's all kinds of research to say that the lower the cost of alcohol products, the more alcohol-related harms there are. They control pricing on high-percentage alcohol products. Again, those products that are bought in the most dangerous situations are controlled and priced accordingly. It

also avoids the corner store mentality to selling alcohol, which you have in Alberta, where on each corner there's a store selling alcohol, versus what we have here in this province. There's a huge focus on social responsibility.

When you look at the LCBO and you look at the research from the World Health Organization, the LCBO has all these attributes and qualities, and does them very well. The bottom line is, the extra cost of running a public monopoly is good for public safety.

The second thing is, I have recently been involved in a national committee put on by Health Canada and the Canadian Centre on Substance Abuse. We spent a year and a half together trying to work on Canada's new strategy for alcohol. One of the recommendations coming out of that group is to keep the status quo of Canada's current system of selling and marketing alcohol. Again, it's part of our national strategy.

Third, the survey data: The Ontario public is very satisfied with the LCBO on a whole range of issues. This has been survey material that's been done by the Centre for Addiction and Mental Health, our own survey data and some of the survey data I've seen from the LCBO. The public feels that the LCBO does an excellent job in controlling service to minors and intoxicated patrons. In fact, last year they challenged 1.7 million people and refused service on over 100,000 people coming into their stores, which is quite an impressive statistic. I know of very few other public monopolies that publish that kind of statistical data for the public record.

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The other thing is, MADD Canada and LCBO have had an ongoing partnership on social responsibility. We've been together for 11 years. We've done all kinds of things, from websites to television ads to radio ads to posters, magazines, movie theatres, etc. The focus is always based on research: Who are the people most likely to drink and drive and be involved in alcohol-related fatalities and injuries? Based on that, then, the research is done and the campaign is rolled out targeting that specific target group, also using media outlets that have a high percentage of that target group watching. For example, when we do television ads, males 21 to 34 are a huge problem when it comes to drinking and driving. A lot of the television ads run when they're watching television, so sports and those types of things—effective use of the money.

The other thing is that I believe the work we do together is a trendsetter, and I just want to give you one example, a recent ad two years ago called Pants. I think most of you have seen it, where the one man is trying to exit the party. The host takes the keys from him and puts them down his pants and sort of says, "Come and get them." But what happened before that is the real important part of that. Everybody remembers that commercial, but the interesting part was, we had done almost 18 years up to that point of drinking and driving. We've shown car scenes, we've shown graveyards, we've shown people sitting in jail, but the focus was always on the individual.

Working together, we decided that we needed something broader than that. There was a study in Alberta that

brought that message home, that in 90% of the people the police charged with impaired driving, only 10% of the time did the guests or others around them try to stop them from driving. Clearly, we needed to involve society on a bigger level, so the empowerment of others around an individual who's making poor choices, and that was the creation of Pants. Now, Pants wasn't the only thing, and as we've gone along, we've given other alternatives, but it showed that we were able to change people's thinking, to take the focus off the individual and put the focus on others and run a very successful campaign. Everybody remembers that campaign, so it was good. We're setting the trends and we're making sure.

The last thing I want to say is about the staff and the organization of the LCBO. I've been the CEO of MADD Canada for the past 10 years, so I've had an opportunity over a long term to work with the LCBO; in fact, 10 out of the 11 years of our partnership. If I look at our own organization, why we're successful, it's because we have committed people to the cause. I see the same thing in the LCBO. When I work with the management staff, it's people who are committed to making sure the social responsibility program is a theme throughout the whole selling and marketing of alcohol, that that's always taken into consideration. They use their resources wisely to target the groups most needed to be targeted, and they make a big difference.

The other thing is, on the store level you see totally committed people stopping service to minors and intoxicated patrons, but they are also the kind of people who, if they see somebody they refused service to who's grossly intoxicated, will call the police or the authorities to make sure that person doesn't cause damage to another. That's a commitment. You're not going to get that in a privatized system.

Thank you.

The Chair: Mr. Murie, thank you for your presentation and also for leaving ample time for questions from committee members: about seven minutes each. This time, we go to the government members. Mr. Milloy.

Mr. Milloy: I wanted to first of all thank the witness for his presentation and thank MADD Canada for the great work they do. Certainly I think all members around the table will have had contact with the organization or local chapters and have worked with them.

I wanted to ask you a little bit more about your partnership with the LCBO. How does that work formally? Is there some funding that the LCBO provides? You talked about some of the commercials and things like that, but how has the day-to-day formal relationship evolved?

Mr. Murrie: The relationship is that in any type of campaign that we do together, we work from the start of the campaign to the end of the campaign which you see in some media outlet, so MADD Canada is involved in the whole process. We're not brought in at the last, to say, "Do you want to be part of this thing?" We're a team that works through the process from there. The LCBO

pays for that work and the work through the advertisement that you would see, for example, on television. Then we, as part of the partnership, agree to share our logo with that advertisement, which gives the credibility. In all the survey data that we follow up on in any television or media outlet that we use, the credibility of LCBO, the seller, and MADD Canada is seen as an authority on drinking and driving and alcohol-related harms. They see that as a good partnership that brings credibility to what the message is.

Mr. Milloy: But is there, for lack of a better term, a table between MADD Canada and the LCBO where you're having regular consultations and discussions on these issues, or is it sort of based on the campaigns that come forward?

Mr. Murrie: We have ongoing relationships, so it's not like there are regularly scheduled meetings every month, but when we're in the midst of preparing for a campaign, there might be a flurry of activity leading there. So it's ongoing relationships. We have a 12-month relationship, and we keep each other up to date on other things that we're doing.

We also have the campaigns where the LCBO store raises money for MADD Canada, and that money goes back into local Ontario communities to show our multi-media show, which about 500,000 Ontario high school students see each day in their community from September to June. So there's a big impact.

Mr. Milloy: How do they raise it, specifically? Is it by donations?

Mr. Murrie: Yes, it's all by donations; it's all from the public. LCBO is just a feeder to the organization, and so people come in and donate and take a red ribbon or make a donation on their credit card when making a purchase. It's very effective for us.

The Chair: Thank you, Mr. Milloy. Ms. Smith.

Ms. Smith: I just wanted to take the opportunity to thank you as well. We have a very active MADD organization in North Bay and area, where we have our band challenge. Our group does a great job to bring all of our high schools together for a big competition, which is lots of fun—very loud, but lots of fun. So I wanted to thank you for that and all of the good work you're doing.

I recognize that there's a relationship in the advertising and the promotion of responsible drinking, but I just want to talk a little bit about the LCBO as a responsible retailer. I recognize that you have a relationship on the one hand, but I just wanted to discuss with you the LCBO as a responsible retailer in serving its customers and also serving the needs of the wider community. If you could just comment on that.

Mr. Murrie: I've had the fortunate opportunity in my position to travel globally, and you're not going to find a better public monopoly than the LCBO. From the commitment of the staff, the kinds of programs they run and the commitment of money they put into social responsibility, you're not going to find a better one, and that's in Europe and other places. So we have something that's very good, and that's why we fight very hard as an

organization to hold on to it, because we believe this public monopoly works and it protects public safety.

Ms. Smith: That's great. Thanks.

I think Ms. Mitchell had a question, if there's time.

The Chair: Absolutely. We still have lots of time, actually. We've got about three minutes.

Mrs. Mitchell: Thank you very much, Andrew, for coming in and making the presentation.

You talked about the Pants ad and how it gave the ability to empower the people who, I guess, were directly affected before they got behind the wheel. I'm not familiar with the Pants ad; I don't get much time to see TV. So could you just expand on that a bit for me?

Mr. Murrie: I think if you look back on it, just sort of a quick history lesson, that about 60% of the deaths in 1980 were alcohol-related. We're down to about 35% or 37%. We made great progress during the 1980s and the early part of the 1990s, because we got those people who were generally socially responsible and got them to change to responsible behaviours. There's a group, and it's probably somewhere around 20% of the population, that drinks at dangerous levels at one time or another. That group is more involved in the alcohol-related harms than the other 80%. So the focus came on—some of it you can do by behaviour; some of it you have to do by others around, and that was the part of the LCBO Pants ad: If you're seeing somebody tumbling down the stairs intoxicated, keys in hand, you have a responsibility to do something. That's the message that we're trying to get out there, and I think Pants did that very effectively. Then there are others that need technology—things that stop the cars and other legislative things that we've done as well.

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Mrs. Mitchell: So you've talked about the excellent working relationship that you have with the LCBO and you talked about empowerment and using it differently as another way to address the same old problem. Where do you see it going now, Andrew, after this? Where do you see the next empowerment needs to come from in order to continue to lower those percentages?

Mr. Murrie: Well, I think there are two focuses. There's a focus on the group that continues to drink and drive, and you have to really continue to use as much thinking ability and creativity as you can, and we do that very well. I think our trouble is that we've been so successful the challenge is, how can we be more successful than last time? We always come to meet that challenge.

The second thing, which is really, really important, is if we've been successful with changing 80% of people's behaviours, it's also important to run campaigns to maintain that behaviour. So you can't just totally focus on the problem; you've got to do a dual type of campaign all the time.

Mrs. Mitchell: Thank you, Andrew.

The Chair: To the official opposition.

Mr. Tascona: Thanks for coming here this afternoon. I don't know whether you specified or not, but how much money do you get from the LCBO?

Mr. Murrie: We don't receive any money from the LCBO. Any money we get from the LCBO comes through campaigns that customers donate to. So, for example, in that type of program in 2005, it was \$145,000. So in various programs that they would run, customers would either do a direct donation or buy a product with a certain percentage of that product going to our organization. That money is used, as I said, for our program in Ontario high schools.

Mr. Tascona: Can you give me an example of a sponsor that would be involved?

Mr. Murrie: Sure. For example, in 2005, again fitting the theme of social responsibility, they had an overnight program. So if you had an unexpected overnight guest, it was a little kit that had shampoo, toothpaste, all those things that you would need to accommodate a sudden overnight guest. That sold for \$9.99 at LCBO stores and Shoppers Drug Mart; \$4 of that \$10 came back to our organization.

Mr. Tascona: Okay. We heard today already from OPSEU, the Ontario Public Service Employees Union, that agency stores are a threat to Ontario communities from a health and safety perspective. We were shocked to hear that that was a reversal of a pre-election commitment by Premier McGuinty that the Liberal government would halt any further expansion of the agency store program.

Do you have any opinion on the expansion of the agency store program, how it affects drinking and driving in this province?

Mr. Murrie: As an organization, we value basing our opinions on empirical evidence, so we need to have evidence to say something in public, to say, "We believe this because of this." To my knowledge, there's been no gathering of data on agency stores versus LCBO stores, so I'm unaware of any data in dealing with agency stores.

I think the other perspective, which we've said to both parties, is that we see this more as an employer-employee type of situation that needs to be worked out between those two parties.

Mr. Tascona: With respect to drinking and driving in this province, and law enforcement, do you think the government should be moving even more strongly into this area? Because obviously education isn't working in terms of removing this problem. Do we need to have tougher law enforcement, or is there another jurisdiction whose lead we could be following in terms of where we should go to try to stamp out drinking and driving?

Mr. Murrie: Absolutely. Unfortunately, Ontario has had a bit of a reversal when it comes to drinking and driving, so in the latest statistics in Ontario, the actual percentage of alcohol-related deaths and injuries has gone up. We have met with a series of ministers to put recommendations. There are two reports that MADD Canada has out there. We've just released a youth report with recommendations on how to deal with drinking and driving with youth. They represent in Ontario, for example, 13% of the population of licensed drivers, yet they represent 25% of the fatalities. Obviously, there's a

disconnect. There are certain things with youth and drinking and driving that need to be dealt with.

The other thing is, in a month's time we will be handing out our three-year report card on drinking and driving, where we rate each province. That will come out the week of October 16, and there will be a series of recommendations on how Ontario is ranked and what Ontario can do in the future.

Mr. Tascona: Without sharing with us the entirety of that report, where do you think we need to improve here in this province in law enforcement?

Mr. Murie: The big issue is suspended drivers: 50% of people who are convicted of drinking and driving do not return to the licensing system. They don't go to the programs that we've all worked on together: Back on Track, which is a very good remedial program, the alcohol interlock. By their going outside of the licensing system, we don't get them the programs that they need to deal with the drinking issue. The second thing is, and we'll be releasing a study very shortly on the suspended drivers in Ontario, they are overrepresented in the fatalities and injuries. It should be no surprise; that's the data. Worldwide on that. But we need to give the police the ability, the information. For example, in Alberta, Saskatchewan and Manitoba, if a person does not show up for those programs, the licensing officials give that information to police enforcement agencies to follow up. In Ontario, there's no co-operation between the Ministry of Transportation licensing and police enforcement agencies. If you look at Saskatchewan, they have 27% of their drivers that don't go back into the licensing system; direct comparison to Ontario, 55%. We're not doing our job.

Mr. Tascona: That's astounding.

Mr. Murie: I know, it's astounding. We're very disappointed that there's not been more done, both at the police enforcement and government levels.

Mr. Tascona: Could you share that youth report with this committee and, when that other report comes out on October 16, could you share that with this committee?

Mr. Murie: Oh, absolutely.

The Chair: One last question, if you have one.

Mr. Tascona: With respect to dealing with the suspended drivers, and I understand what you're saying. How do you deal with these people who would drive without insurance, who would drive without a driver's licence? How do you deal with them?

Mr. Murie: There are three things that you do. First of all, you give police the information to deal with it. You've got to make the sanctions for driving suspended more severe than coming back into the licensing system. In Manitoba, for example, if you continue to drive suspended, they will seize your vehicle and they'll sell it. Basically, that's how you have to deal with it. If a licence suspension has no impact, then you've got to go to the next thing, which is the actual vehicle. I find it perplexing that in this province, if you hunt or fish out of season, they'll take your boat, they'll take all your equipment, but it's okay to not drive with a proper licence, put

others at risk on a major highway, and we don't treat them the same.

Mr. Tascona: I agree; that's unacceptable.

Mr. Bisson: Interesting stats. I'm just curious, are there any stats in regard to recidivism, those who have been charged and have had their licence reinstated from jurisdiction to jurisdiction? How does Ontario stack up?

Mr. Murie: There's not much fluctuation. Basically, what we know about people who get charged with drinking and driving is that 30% continue to get charged with a second or third or fourth offence. About 70% of people who are charged the first time never come back into the system within a 10-year window.

Mr. Bisson: And that's normal, that's pretty well standard across the various jurisdictions?

Mr. Murie: Pretty much. When I talk about variation, it might be 1% or 2%, but it's a pretty standard process. There really doesn't seem to be any great variation from province to province. The problem comes in the follow-up: What do you do when have these people suspended? As I was saying before, other jurisdictions do a lot more than what Ontario is doing right now.

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Mr. Bisson: I'm a bit perplexed—not perplexed, but I have the following comment, and tell me what you think. I agree with you that we have to have stiff penalties and we have to take this seriously. I've been here for 15 or 16 years—17 years now—and every government has stiffened the penalties and rules when it comes to drinking and driving. It is not the same game as it was 17 years ago. This government has, the Tories have and we have.

It seems to me that although we should keep up on those efforts, the really heavy amount of the work that we need to be doing is the stuff that MADD does, which is the education, in order to try to stop people from getting behind the wheel, which brings us to the point of these hearings.

What do we have to do within the LCBO, because that's what we're reviewing today, in order to be able to increase the awareness and education needed to try to stop people from getting behind the wheel?

Mr. Murie: I disagree with you. I think we've been successful because of a comprehensive strategy. It's because we've had legislation, we've had education; we've had all of those things.

Mr. Bisson: I think we're in agreement. I'm just saying we also need to put a lot of emphasis on education.

Mr. Murie: Absolutely; you need all of them. Quite frankly, my views wouldn't change if we didn't have the partnership with the LCBO or if we didn't receive any local work. We'd still want a public monopoly here. One of the values you have with the public monopoly and the social responsibility budget is that you increase that. You put it as a percentage of the operating budget so that it makes sure there's that kind of money and accountability going in and making sure the social responsibility piece is a big part of all the initiatives of the LCBO. It loses some of its effectiveness if it just comes as a seller and a marketer of alcohol. That's a key component and that's one of the pieces we want to see.

Mr. Bisson: I think we're agreeing, but I'm just asking the question: Is there some recommendation this committee could make as part of its report that would help you to do what you need to do through the LCBO?

Mr. Murie: Currently, the LCBO's budget for social responsibility is \$2.5 million per year. I'd like to see that significantly increased so that it's a part of all the aspects, so that there are no budget considerations. We only do things at a certain period of time because that's all the money that's available.

Mr. Bisson: Are there any other jurisdictions that are doing interesting things through their LCBO-type outlets that we should be looking at: Quebec with the Régie, or Manitoba or whoever?

Mr. Murie: When it comes to monopolies, LCBO is by far the leader. They've got the best programs. We work with a lot of other public monopolies as well, but certainly the elaboration, the sophistication, is here.

Mr. Bisson: Do you need a more formal relationship with the LCBO as far as some sort of mandated mechanism to make sure that you're heard, and that at the end of the day we take this issue even more seriously than we are now?

Mr. Murie: No. We're very comfortable with our current working relationship. The only thing I'd say is, keep it the way it is; increase the funding.

Mr. Bisson: Okay. Thank you.

The Chair: Mr. Murie, thank you very much for your presentation on behalf of MADD. We look forward to seeing you again at some time very soon.

ONTARIO CRAFT BREWERS

The Chair: Folks, we will now proceed with our next deputation: John Hay, on behalf of Ontario Craft Brewers. Mr. Hay has been here in attendance. Welcome to the standing committee on government agencies. You're welcome to make opening comments of up to 15 minutes if you so choose, and any time that you leave filling up to half an hour total will be divided up equally among the caucuses, this time beginning with the official opposition. Mr. Hay, the floor is yours.

Mr. John Hay: Thank you, Mr. Chairman and honourable members. I'll speak for about seven minutes—I'll read from this prepared text to make sure I cover everything—and I'll hand out a few little items as we go through, if that's okay.

First of all, thank you for inviting me to speak on behalf of the Ontario Craft Brewers as part of your LCBO agency review. The Ontario Craft Brewers represent 29 breweries, with close to 500 jobs, located in over 20 communities across Ontario. We have about five per cent of the Ontario beer market and are growing our sales at about 10% per year. This growth is due to a significant shift in consumer demand towards premium-quality products, to hard work by our brewers, to a number of supportive government policies and to our Ontario Craft Brewers marketing program, which is largely funded by the Ontario government.

We have also received some great support from the LCBO currently and in our early stages. Here are some examples:

- the preparation of our strategic plan, which led directly to a \$5-million grant—\$1 million a year over five years;

- in-store promotion programs in 40 LCBO stores for the last two years, and now in 50 stores, including bulk-head signage, brochures and newspaper inserts, as well as free-standing displays in about 20 of these stores.

I'll just stop and pass some of these documents around so people will get an idea of some of the things I'm talking about. You can keep a couple of the ones with elastics. We have extra copies.

- the development of an excellent craft brewers video, used for staff education and public sale;

- very good access to the beer guys and gals and regional meetings for tutored tastings and product orientation programs, as well as the development of a pocket book on OCB for beer guys and gals—that's on its way around as well—and regular inclusion in the beer guys and gals newsletter;

- improved access to LCBO in-store tasting programs;

- seminars just for OCB on how to do business with the LCBO and the LCBO image programs; and

- initial work on an ongoing product-testing program.

Our sales in the LCBO have grown last year by 30% to 50%, depending on the time period you look at. This growth is very welcome and has great potential to grow much more. We believe it reflects the appealing retail environment that is found in the LCBO versus our other retail channel, where the shopping experience is being seriously curtailed. To maintain that growth, however, some very important opportunities are being worked on. To this end, we have established excellent working relationships with the LCBO at all levels, from a steering committee level down to working committees. We also have open access to the ministry for work on policies and other ideas.

To elaborate slightly, the tax generation component and the retail environment of the LCBO does mean that it is a more expensive retail system, and our LCBO margins are fairly thin. We are continuing to look for ways to deal with the LCBO and with other government ministries.

Secondly, the LCBO is a very large system and it's run on a very businesslike basis, with the number one objective being to generate dividends for the province. The other clear objectives are consumer focus and safe sale, followed by support for local industry.

Naturally, there are many ways to increase the support for local industry. However, some of these come with a potential reduction to overall revenues. Of course, local industry generates many other benefits besides direct contribution to the LCBO bottom line; we recognize that, as do they. So we continually work with the LCBO to find the right balance between local industry support and the revenue generation targets set by treasury and finance.

We believe that the intent of the Ontario government, with its small brewer tax incentives and grants, is to develop a vibrant, regionally dispersed craft brewing industry.

For this selling season, our approach has been to work within the LCBO's current retailing structure, in terms of how they generate plan-o-grams, shelf space allocation, listing rules etc. Stable retail visibility is key to our survival and growth, as we do not have huge advertising and promotions budgets.

We know for sure that some small brewers are able to grow in this environment, but it is very tough to meet all the criteria that a well-funded multinational brewer can meet. We are currently assessing whether we have a broad enough spectrum of brewers growing under this approach.

The last point, in terms of general points, is that the LCBO is clearly embracing the concept of Ontario craft brewers. Naturally, any brewer who feels they are a craft brewer or wants to sell themselves as a craft brewer is working hard to be included under this banner. We are working hard to ensure that our identity is maintained now that everyone is jumping onto the bandwagon. In-store information is very helpful in that regard; that's point-of-purchase information.

In conclusion, our growth in the LCBO in the last couple of years has been very good and is very welcome. We do want to ensure, however, that the majority of our brewers can successfully grow in this system. We have some very important programs to finish putting in place to secure and then accelerate that growth. Lastly, when we complete it, it will ensure a rebirth of our Canadian brewing heritage right here in Ontario. Thank you.

1500

The Chair: Thank you very much, Mr. Hay. My Tim Hortons seems to have attracted attention here.

Mr. Hay: Am I ahead of schedule or did we start early?

The Chair: You're doing very well. We started early, and you took only seven minutes of the allotted time, which is very generous in allowing committee members to ask questions. That gives about seven minutes per caucus for questions, beginning with the official opposition.

Mr. Tascona: Thank you for your presentation. I received your brochure on the Ontario craft beer route. I know in Barrie we have the Robert Simpson Brewing Co. In my view, they're an excellent corporate citizen. They also serve an excellent product. I'm pleased to see that they're part of your organization.

With respect to this particular area you've been covering, I want to ask you a question: What kind of social responsibility programs do you have in place to ensure that you sell to people who are of the age of majority? Do you have any programs in place for your brewers?

Mr. Hay: Basically, our sales are largely done through licensees, the LCBO or the Beer Store system. We would support for sure any of the other programs.

There isn't a formal program in place, if that's what you're asking, that we sponsor.

Mr. Tascona: Well, the Robert Simpson brewery, for example, sells directly from their store to the public, walk-in traffic. I don't know how the other breweries work, but I would have thought that your organization would have some kind of program to deal with ensuring that people who buy are of the age of majority.

Mr. Hay: I think each brewery has basically its own policy. We also circulate any directives or policies that come from government as well.

Mr. Tascona: So you don't have a formalized policy for your organization.

Mr. Hay: Not per se.

Mr. Tascona: Not per se. Okay.

Are any of those brewers unionized?

Mr. Hay: None of the craft brewers are unionized in Ontario, to my knowledge. A lot of them are fairly small.

Mr. Tascona: Do they have access to sell their product in the agency stores?

Mr. Hay: Sorry, could you repeat that?

Mr. Tascona: Do they have access to sell their product in the LCBO agency stores?

Mr. Hay: Yes, they do.

Mr. Tascona: How has that worked out?

Mr. Hay: At this point, it's looked upon fairly favourably because in some ways there's not as much attention paid to the marketing in those stores as there is in the larger stores, so it's a little easier to access the stores.

Mr. Tascona: You indicate in your conclusion that there has been growth in the LCBO over the last few years in the sales of your product. Where do you find that your biggest gains have been in Ontario with respect to the sales of your product?

Mr. Hay: They would largely be in the GTA and related area. That's where our marketing campaigns have been targeted and that's where most of the growth would be, although you'd see good growth as well in any of the centres where we have breweries located.

Mr. Tascona: Is that dealing directly with bars?

Mr. Hay: I was just speaking of LCBO growth.

Mr. Tascona: I wasn't referring to geographic areas; apart from the LCBO in terms of how your growth has gone, in terms of what form of sales.

Mr. Hay: Our growth in the LCBO would be the highest from the data that we have. The Beer Store growth would likely be quite a bit less. We do not have much data from there. Licensee growth, we believe, is fairly healthy as well.

Mr. Tascona: What do you mean by licensee?

Mr. Hay: Bars, restaurants: 12,000 or so, 15,000.

Mr. Tascona: What would be the approach to get involved in that? Is that just a verbal negotiation to try to get into a bar for a licensee? How does that work?

Mr. Hay: Basically, licensees are very important to this industry because a lot of small brewers start by producing a draft product—it's not a bottled product—and the first client really is the local bar. So they'll take

the product in there, talk about it, work with the local bar, try and get a few tap handles, and get started that way.

Mr. Tascona: It must be pretty competitive.

Mr. Hay: It's very competitive, but really, the most competitive area would be the chain accounts.

Mr. Tascona: The chain accounts?

Mr. Hay: The chain accounts: any large supplier or licensee, any person who owns a group of licensees, becomes a very important point to focus on for a sales department because they can control so much volume.

Mr. Tascona: What kind of terms of the licence would allow you to get into those operations? Do you have some kind of favourable terms?

Mr. Hay: The large accounts that own many, many licensees are pretty much off-limits. They're pretty much tied up with promotional arrangements. So we tend to market in the local bars and the smaller bars, and a lot of the bars have licensees that specialize in craft brewing products. There are more and more of those out there and the consumer is more and more interested, so that's where we focus right now.

Mr. Tascona: In terms of your relationship with the LCBO, do you believe that there's a process in place that you're working on to have your product more regularly sold, like a special system for microbrewers?

Mr. Hay: We're continually working on those kinds of programs. They've done a lot of marketing this year to help in that regard. We will continually look for ways to get what I would call stickier access to shelf space, ways to stay on the shelf a little bit longer, because we don't have the advertising to drive the consumer to the shelf. We need the shopping experience to work. So we're continually looking for those and there are a lot of programs in place and forums for accessing those, but we need more.

Mr. Tascona: Okay. Thanks very much.

The Chair: Monsieur Bisson.

Mr. Bisson: A couple of things. You made a comment that the profit margins are thin when selling through the LCBO. Is that because they exact a larger cut into the product price? Explain that one a bit.

Mr. Hay: Yes, the LCBO is a superb retail environment, so you do have to pay for that a little bit in the service fees; the service fees are a little higher. Also, there's a bit of a tax component in the service fees. Those two combine and it becomes a more expensive system for us to operate in, but we can grow in it as well.

Mr. Bisson: So what would be the difference, let's say, between me walking into the microbrewery and buying 24—not for me, but for the seller?

Mr. Hay: It would be around \$50 to \$60 a hectolitre. A hectolitre is 12 cases, so divide 50 or 60 by 12—\$5 a case.

Mr. Bisson: So there's about a \$5 added cost.

Mr. Hay: That would be maximum. But of course, not everybody can go to the retail store, so someone has to pay for the convenience.

Mr. Bisson: Are there things the LCBO should be doing, in your view, in order to promote the microbreweries?

Mr. Hay: They're doing a lot now. We could always use more promotion on the marketing side. It's always wonderful to get to be featured. And as I mentioned before, anything we can do to keep our product on the shelf a little bit longer to give the consumers time to get used to it is great. But don't forget, that product space can generate revenue for them and the treasurer is looking for a lot of money, so it's a trade-off.

Mr. Bisson: So how hard is it to get in? Let's say I'm a current microbrewery or a new one. I have a new product that's currently not on the LCBO shelf. How difficult is it for me to get it on the shelf?

1510

Mr. Hay: It's fairly easy to get it on the shelf. It's quite difficult to keep it there.

Mr. Bisson: Because then it's based on who buys, how much volume.

Mr. Hay: Most of it is volume-based—sometimes there are other reasons—as opposed to maybe growth-based, which might help us a little bit in the early stages. So we're working on that. It's easy to get on the system. It's just very hard to stay. It's very competitive.

Mr. Bisson: So you're saying that it should be growth-based, not volume-based.

Mr. Hay: One of the models we will discuss, and continue to discuss, is a little easier access at the front end—we're getting some help now for sure—leaving it based on growth for a little while and then moving to the volume criteria. But we're now into, to some extent, the minutiae of listing strategies here, and there are many of these.

Mr. Bisson: When you finally do get your beer in the LCBO, is it only in selected stores, I would imagine? It's not in every store, because there are various sizes of stores, right? Is that an issue?

Mr. Hay: The listings are done store by store. There are some core brand listings, which we would not be involved in because we don't have enough volume for that. So you pretty much have to go store to store, even though the programs and the supports are, for the whole GTA, for a group of stores. It's a store-by-store system. It's not a system where you buy a listing and you're listed in a certain number of stores. It doesn't work that way.

Mr. Bisson: That's what I'm wondering. Do you have any control about which stores your product goes into, or is that entirely the LCBO's choice?

Mr. Hay: It's the LCBO's and primarily the store manager's choice, and it's your choice in that if you work hard enough and put enough investment into it, you will get into more stores. It's a labour-intensive system but it works once you get it going.

Mr. Bisson: What could be done to improve on that? What recommendation could we make?

Mr. Hay: From this committee's perspective, I guess the simplest thing is to continue to encourage the LCBO and the government to work on programs that help small brewers get off the ground in the stores. Anything along those lines works. There are lots of ways of doing that,

but just that basic help to give us a little extra push: a little extra time on the shelf; a simpler listing policy. Those kinds of things really help.

Mr. Bisson: Do you have anything in writing as far as suggestions?

Mr. Hay: We could produce a little bit but it's pretty much all in internal documentation.

Mr. Bisson: It would be helpful if you could provide us with that. This is entirely up to you. I can't presume what the committee is going to vote for or not vote for when it comes to recommendations. But if there's something specific that you would want to see the LCBO do to assist your industry, it would be helpful if you could provide the clerk with that information, and we can take a look at it and see if we want to make it part of our report.

Mr. Hay: We can produce a general comment. The other aspect like that is the thin margins. If the committee in any way can prevail upon finance to either lower the target or put an adjustment in the LCBO's targets to allow us some kind of rebate or offset on a piece of the costs, that would be wonderful. These are things we've all talked about with the LCBO and others many times.

Mr. Bisson: I encourage you to pass that on to our clerk.

A couple of quick questions: Is there a huge difference in the amount of beer you sell through Brewers Retail versus the LCBO?

Mr. Hay: There should be but there isn't. We should sell about 15%, maybe 25%, through the LCBO, and the rest through the Beer Store. As it turns out, we sell about the same amount. We're severely underrepresented in the Beer Store system.

Mr. Bisson: That was my question, because a lot of your beers—

Mr. Hay: In our view, anyway.

Mr. Bisson: Yes, because a lot of times you have to go to the LCBO if you're looking for a particular brand from your breweries.

One last thing, and I know this is not a slight on northern Ontario: I take it that you don't have microbreweries in the north.

Mr. Hay: I wish we did.

Mr. Bisson: But I want to point out that there's a big part of Ontario missing, and Monique and I were just wondering how we're going to get home tonight following this map.

Mr. Hay: We need some more breweries up there. Anything you can do to help would be wonderful.

Mr. Bisson: Northern Breweries is not part of your system, right?

Mr. Hay: Northern was on the verge of joining again. They're not making it but they may be revived again. I wish they would; we hope they will be. They would be in for sure.

The Chair: Thank you, Mr. Bisson. It looks like an opportunity for some job creation in Timmins.

Mr. Bisson: There we go.

The Chair: To the government side.

Mrs. Mitchell: Where you ended, Gilles, I'll begin. I would draw everyone's attention to the greater southwest and seize the opportunity the map has afforded you. Thank you. I couldn't resist.

I have a couple of questions here. The 30% to 50% growth: You must have been very pleased with the working relationship you have with the LCBO. Was that what you expected? Were those numbers targeted in the strategic plan? Have you achieved where you wanted to be?

Mr. Hay: We had some targeting that we'd worked out around the 30% area. So those numbers are very good. Those are wonderful numbers in any kind of consumer product, those kinds of growth numbers.

Mrs. Mitchell: Certainly 30% to 50% growth in any business is welcome. So the relationship that you have developed with the LCBO has been quite successful.

Mr. Hay: It's an excellent relationship, and it has fostered a lot of wonderful things.

Mrs. Mitchell: Your five-year strategic plan: Over five years, what year are you in now?

Mr. Hay: We're just into the second year. It's actually a 10-year plan, and the target is to grow to a million hectolitres—we were at a little under 200,000 hectolitres—in 10 years, by 2014.

Mrs. Mitchell: Very good. Part of your conclusion here is that you would like to see the rebirth of Canadian brewing heritage. So is that part of your strategic plan? I mean, one of the breweries—I have a number of them in my riding. It's Neustadt, and they have a lot of—

Mr. Hay: Yes, it's wonderful.

Mrs. Mitchell: It's not right in, but it's right beside. So where do you see the heritage? Is that covered off in the strategic plan, what it has brought to Ontario?

Mr. Hay: Very much. Our craft brewers are very active in the community. They're part of the community. They grow from the community. Generally speaking, they maintain those community roots and community involvement as they grow.

The Canadian brewing industry was once, at least, a very proud Canadian-owned industry; it is no longer. There is a new version coming up, and it's coming up right across Canada. There are 90 small brewers across Canada, with over 2,000 jobs. Ontario would probably be in the lead. In volume, it would be close to in the lead. Certainly in number of brewers and activity, it would be in the lead. We'd like Ontario to be a centre for excellence for craft brewing and continue with that brewing heritage.

These are Canadian-owned. They're husband-and-wife, brother-and-sister, father-mother-grandmother invested enterprises.

Mrs. Mitchell: Thank you, John. Ms. Smith has some questions.

Ms. Smith: I just wanted to follow up with a couple of questions on your strategic plan. You noted in your presentation that you received \$5 million in funding over five years. Where was that from, and what was it for?

Mr. Hay: Basically, it was in the budget a couple of years ago. It was \$1 million a year. It is to implement the

strategic plan. It's largely a marketing co-op, but there's also money in there for developing group purchasing programs, for quality programs, for basic research, market research and other kinds of research.

Ms. Smith: Great. So it would go towards some of the brochures that you showed us today?

Mr. Hay: All of the tourism.

Ms. Smith: The tour ones?

Mr. Hay: Yes.

Ms. Smith: Okay. You also provided us with some other information that has the LCBO stamp on it. So that's some of the co-operative work that you've done with the LCBO?

Mr. Hay: That's exactly what it is. That's the beer guys and gals guide that they have to help them when a customer asks them a question about what kind of beer goes with what kind of food, what they taste like, what they look like. That's what that's for. They've been extremely interested in our program, the guys and gals.

Ms. Smith: The beer guys and gals, just for those of us who are uninitiated in this, are they staff members of the LCBO who sell just in the beer section?

Mr. Hay: Yes. The LCBO has staff members all through the organization. This is one of their real strong points. They have staff members all through the organization who specialize in different products. There's a group that specializes in beer, the beer guys and gals. They're in a lot of the stores. They also have product consultants, who also are very interested in the programs and work very hard at it. We also have wonderful access to the regional district managers, meetings to do tutored tastings. We have unbelievable access to the system.

1520

Ms. Smith: Great. This morning we heard from one of the LCBO executives—I believe it was the director of marketing or merchandising—Tamara, whose last name I don't remember. Sorry.

Mr. Hay: Tamara Burns.

Ms. Smith: Tamara Burns. She talked about working with the craft brewery industry and helping you to develop your industry, which is very well reflected in your presentation this afternoon. One of the things she talked about was the fact that you were somewhat limited in the listing of your product by the size or the ability of growth of your various brewers. So I just wanted to follow up on your discussion with Mr. Bisson, who was asking about how many stores you can list in or if you're limited in the number of stores you can list in. This morning I got the impression that part of the limitation is that your breweries are small and fledgling, and so as they grow, the LCBO has been trying to work with you to develop larger listings. But in the beginning stages, you are, because of the fact of their size, limited to the number of stores they list in.

Mr. Hay: Yes, that's absolutely correct. Anything we'd look for in listings would be in those stores we can deliver products to. But by and large, we can deliver products to a lot of southwestern Ontario quite well. We're working with other ministries to find ways to help

improve our distribution systems as well, different ways that we can work together.

Ms. Smith: Great. That's it for me. Thank you, Chair.

The Chair: Super. Thank you, Ms. Smith, Mrs. Mitchell.

Mr. Hay, thank you very much for your presentation. It's always good to hear from the craft brewers of Ontario, with all the bonus material they bring for committee members as well. I do want to note that some said they were feeling thirsty after your presentation this afternoon. Thank you for your time.

I'm going to put Mr. Olsson on the spot here. We finished slightly ahead of our agenda. Are there any other comments that the LCBO wanted to bring forward, having heard the deputations this afternoon? Are you satisfied with your presentation as it stands?

Mr. Olsson: With your permission—

The Chair: Yes, please come on up. We'll just need you on the microphone so that you can be recorded for the benefit of Hansard.

Folks, we won't have time for questions here unless—
Interjection.

The Chair: You really want to? We'll see. I thought I'd give Mr. Olsson a chance to respond to some of the presentations here today.

Mr. Olsson: It would be hard to, with some of the nice things that were said about us today—I'm probably risking something by saying anything further.

I think there are two areas that probably are worth addressing. I'd like to go for a moment to the agency store question, the southern agency stores. I won't repeat the discourse about what the nature of the evidence is that underage or intoxicated people are buying from agency stores. We're unaware of any such evidence, even anecdotal, but I would like to be clear that you should understand the dynamics and what the motivation of an agency store operator would be.

The agency store purchases its beverage alcohol from the LCBO—they have slightly different arrangements with the Beer Stores—wine, spirits and imported beer, at a 10% discount from retail, FOB LCBO premises. So typically what these small operators do is, once or twice a week they get in their van, they drive to the LCBO store they shop at and pick up their orders and take them back. So by the time they're on the shelves, they're operating with a less than 10% gross margin.

As I referred to in my remarks, many of these stores are fighting for their very existence in some of these small communities. The business communities are very fragile. This is a traffic-builder; it's not much of a profit-maker. I don't think there's anybody in an agency store who's going to be retiring off the fact that they get an LCBO licence. In fact, I can prove that, because whenever we propose to put an agency store in a community, we advertise, and our biggest problem often is finding someone. There isn't an entrepreneur going around the province saying, "Oh, boy, I'd like to find one of these small communities where I can set up an agency store." It's not a profit-making proposition.

I'm leading up to the key point. The risk to the agent in selling beverage alcohol to unqualified consumers—to minors or to intoxicated people—is very great because they could lose their licence, whereas the net revenue that they might make is quite small. I would take issue with the assertion that the “profit motive” means that sales have to be irresponsible. If the profit motive means anything, and you look at the entire picture of how the economics work, the profit motive would say, “Under no circumstance sell to a minor or an intoxicated person.” That's one point I'd like to make.

The second point relates to the Environmental Commissioner's presentation. I think we probably should make some further submissions on this. I would refer you to Hansard, where you will note that he said that, “Everything I'm going to tell you is in dispute.” Facts when it comes to recycling and reuse are typically of questionable—there is a variety of sources. The sources we used this morning were drawn from Stewardship Ontario, which was set up by the government and of which the LCBO was a founding member, to assess and quantify the stream so that they can charge back to the participants who pay into the blue box program. It's about \$130 million that's charged back to participants.

Also, there was a city of Toronto audit, and I'd refer you to the city of Toronto works committee memorandum of March 6, 2006, where they state, “Recycling ratios for the LCBO are more or less equivalent to those in deposit-return systems.” That was based on work done by the city. They also confirmed by independent audit that our recycle ratio in the blue box system is 96% in single-family homes in Toronto. So the areas of issue are multi-family dwellings and rural areas.

The assertion that a recycling program or a deposit-return would result in more reuse of glass I think needs more examination. We understand that coloured glass bottles, whether they come in through the blue box program or through deposit-return systems, wind up in the same place, which is ground up into aggregate. By the way, there's nothing much wrong with that in our view because that's aggregate that doesn't get dug out of the moraine and it is a useful product.

I would also like to point out that our aseptic carton recycling—in other words, what we were referring to this morning as Tetra Pak, and I think one of the questions hit at this—number one, the loss-to-the-landfill statistic is based on, as we understand it, Tetra statistics, which are mainly built on the use of juice boxes. We've only been at this for a year and we only really have about six months of heavy usage of the Tetra program, so that has not been assessed. When you crush a Tetra box, even if it goes to the landfill, it still takes up less than 10% of the weight and the volume that a glass bottle takes. So it is an incredibly effective means to limit waste.

Those would be my closing comments. Patrick, do you wish to add anything to that, or Tara?

Mr. Ford: I think the only thing I'd like to add is that in an additional comment from the commissioner in, I think, close to his concluding remarks—

The Chair: You just have one minute left, if you don't mind.

1530

Mr. Ford: Certainly, Mr. Chair. Specifically, he mentioned that he felt that the jury was still out in terms of the merits of aseptic Tetra over glass. We would certainly encourage that if there's any question remaining, we'd be happy to support any further analysis that was done on that, and whether or not there are upsides to one or the other.

Mr. Olsson: Having said that, it's ultimately a public policy decision, and we would be very interested in the committee's views on that.

The Chair: Outstanding. Again, thank you very much.

Mr. Olsson: Thank you very much.

The Chair: We appreciate you spending your afternoon with us as well, and responding to some of the presentations. Thank you, folks.

Mr. Bisson: Do we have a chance to ask questions—

The Chair: No. We just don't have the time. If we had more, we probably could. So no; we've concluded this part of our agenda.

Folks, thanks very much. It's much appreciated.

SUBCOMMITTEE REPORTS

The Chair: We'll now proceed with our 3:30 scheduled subcommittee reports. I think we're ahead of schedule, in all likelihood, unless there's significant debate on the subcommittee business, so we've asked our 4:00 and 4:30 p.m. intended appointees to try to arrive a bit earlier. We may have to break, but hopefully this will flow relatively smoothly. In the meantime, I will slow my cadence down to a very annoying drawl.

Mr. Parsons: More annoying.

The Chair: Oh, now you're hurting my feelings. All right; fine.

We will now proceed with the subcommittee reports.

Let me add this: If we have other business, I will try to fit it in between the subcommittee reports and the deputations unless we happen to brush up against 4 o'clock.

Our first order of business is the report of the subcommittee on committee business dated Thursday, June 8, 2006.

Mr. Parsons: I move its adoption.

The Chair: Mr. Parsons moves its adoption. Any debate on the subcommittee on committee business report of June 8, 2006?

Mr. Milloy: I had a 20-minute speech.

The Chair: Mr. Milloy is going to table his 20-minute speech. Any other comments?

Mr. Bisson: I had a question. I asked them directly, but for the record I'd like the clerk to pass on the following questions to the LCBO. The first one is if they can provide us with the stats of the agency store refusal rate for selling alcohol to people underage, because we have what it is for LCBOs; we don't have what it is for agency stores.

The Chair: Are there other questions that you want, or is that it?

Mr. Bisson: That was it.

The Chair: Okay, thanks. I was going to defer anything else; we could do it during other business. But if you got it on the record and the clerk has it, we're fine.

Mr. Parsons has moved the adoption of the subcommittee on committee business report of Thursday, June 8, 2006. There's no other debate? All in favour? Opposed? It is carried.

The next order of business is the report of the subcommittee on committee business dated Thursday, June 15, 2006.

Mr. Parsons: I would move adoption.

The Chair: Mr. Parsons moves its adoption. Discussion? There being none, all in favour? Opposed, if any? It is carried.

The next order of business is the revised report of the subcommittee on committee business dated Thursday, June 29, 2006. I'll remind members that this is the revised report of the subcommittee on committee business, as opposed to the original, unrevised report of the subcommittee on committee business.

Interjection.

The Chair: You actually have a question? Let's see if it's moved for adoption.

Mr. Parsons: I would move adoption of the revised report.

Mr. Bisson: I'm just trying to remember—

The Chair: An additional appointee was added to the report.

Mr. Bisson: Oh, that's right. That's fine. Okay.

The Chair: We're good? Any further debate or discussion? All those in favour? Opposed, if any? I'll stretch this out for dramatic effect. Carried.

The next order of business is the report of the subcommittee on committee business dated Thursday, June 29, 2006.

Mr. Parsons: I move its adoption.

The Chair: Mr. Parsons moves its adoption. Comments, questions, debate?

Mr. Milloy: How can we be voting on the revised report and voting for the report?

The Chair: That's a good question. Mr. Milloy asks a good question. We will stand that down. See, the new guy on committee caught us out already.

Interjections.

The Chair: This actually does stand on its own. As members will see from the extensive package that has been given to them—let me look at this—Thursday, June 29 is in here.

Shall we proceed with the vote? All those in favour? Opposed, if any? It is carried.

The next order of business is the report of the subcommittee on committee business dated Thursday, July 6, 2006.

Mr. Parsons: Having figured out the pattern, I would move its adoption.

The Chair: Mr. Parsons moves its adoption. Is there any debate? Seeing none, all those in favour? Opposed, if any? It is carried.

The next order of business is the report of the subcommittee on committee business dated Thursday, July 27, 2006.

Mr. Parsons: I move its adoption.

The Chair: Mr. Parsons has moved its adoption. Any debate? All those in favour? Opposed, if any? It is carried.

The next order of business is the report of the subcommittee on committee business dated Thursday, August 17, 2006.

Mr. Parsons: I move its adoption.

The Chair: Mr. Parsons moves its adoption. Is there any discussion? Seeing none, all those in favour? Opposed, if any? It is carried.

The next and final order of business in this particular part of the agenda is the report of the subcommittee on committee business dated Thursday, August 31, 2006.

Mr. Parsons: And I move adoption.

The Chair: Mr. Parsons has moved adoption. Mr. Tascona has a question on that subcommittee report.

Mr. Tascona: I have two pages here. The second page has an extension of deadline for review of the intended appointee included in the amendment to the August 25, 2006, certificate received on August 30. The original deadline was September 29, 2006. The new deadline is October 29, 2006. This is regarding Mark Lewis for the Ontario Labour Relations Board. We would be reviewing them when we return to the House, I take it, for this one?

The Clerk of the Committee: Yes. They amended the certificate and added an additional person, but we have to treat it with new deadlines. The deadline is not actually till today at 5. I know you've already responded and selected him. We have to extend the deadline, because it would be up for September 29, just in case we don't get a chance to—

Mr. Tascona: That's great. Thank you.

The Chair: Any other comments or questions? All those in favour? Opposed, if any? It is carried.

We need a unanimous consent agreement on the following extension of deadlines. Pursuant to standing order 106(e)11, unanimous consent is required by the committee to extend the 30-day deadline for consideration for the following intended appointee: Mark Lewis, intended appointee to the Ontario Labour Relations Board. Do we have unanimous consent to extend this deadline to October 29, 2006? Hearing unanimous consent, that motion passes.

INTENDED APPOINTMENTS

The Chair: We will now try to move to appointments review. We are 20 minutes ahead of schedule. We do have one of the intended appointees here, so I would like to move to intended appointees. Is that okay? We still have another matter for other business, but we may as well go ahead.

GEMMA HARMISON

Review of intended appointment, selected by official opposition party: Gemma Harmison, intended appointee as member, Criminal Injuries Compensation Board.

The Chair: Our first interview is with Gemma Harmison. Ms. Harmison is the intended appointee as a member of the Criminal Injuries Compensation Board. Ms. Harmison, please make yourself comfortable. As you're aware, you have an opportunity to make some opening comments about your background and your interest in the Criminal Injuries Compensation Board. Subsequent to that, there will be questions from all three caucuses, dividing up the time equally. We'll begin today's questioning with Mr. Bisson of the third party.

Ms. Harmison, the floor is yours. You're welcome to make some opening comments.

1540

Ms. Gemma Harmison: Thank you very much. Good afternoon, Mr. Chairman and committee members. I appreciate the opportunity to appear before you today and to answer any questions you may have regarding my intended appointment to the Criminal Injuries Compensation Board. I have prepared a very brief opening statement and then would welcome any questions you may have.

I have about 10-plus years' experience working with victims of violence. I have an undergraduate degree in law—a four-year honours degree. While completing my thesis in November 1995, I had the opportunity to work for a non-profit organization that provided support and services to victims of violent crime. This involved direct service to victims, including scheduling and attending meetings with crime victims and accompanying victims to court and other legal proceedings. In that position, I also had the opportunity to research, prepare and present submissions before the federal standing committee on justice and legal affairs.

Regarding issues related to victimization, including the Victims Bill of Rights and high-risk offenders, I also had the opportunity to provide numerous guest lectures at secondary and post-secondary institutions, community organizations and policing organizations.

In September 1997, I was appointed to the Criminal Injuries Compensation Board as a board member and served two terms as a board member. In 1998, at the request of the vice-chair of the board, I began assisting in training and developing new board members who were appointed. That included the initial training program, what we call a refresher training program, which was generally offered six months into a new term for a board member, as well as overall availability to new board members during the balance of their terms with the board.

At times I was also asked to assume some of the chair's duties while the chair was on annual leave, including attending to any board member questions or concerns as well as any inquiries of the board's administrative staff.

During my six years as a board member, I also had an opportunity to conduct a week of hearings for crown law civil related to cases that had fallen outside the abuse and provincial institutions program.

From February 2004 until June 2005, I was employed as the executive assistant to the chair. This involved communicating with crime victims, both in person and via telephone, investigating and resolving complex or contentious issues that had been addressed to the chair's office, as well as providing advice to adjudicators and administrative staff on a variety of administrative and technical issues.

In June 2005, I relocated to Barrie and commenced employment in the court services division under the Ministry of the Attorney General. I worked in the family law office, which involved receiving and issuing family court documents, informing the public, litigants and members of the legal profession regarding court procedures and rules, and communicating with a number of government and non-government agencies, such as the office of the children's lawyer, Family Responsibility Office and the children's aid society.

Most recently, in March 2006, I began clerking for a lawyer in Barrie, a sole practitioner who focuses primarily on family law. I meet with clients, draft and file court documents and attend court as required.

The last year and a bit, working in family law, there is certainly an overlap with family law cases and issues of victimization in terms of processing family law restraining orders, emergency ex parte motions for exclusive possession, as well as instances of child abuse in applications brought by the children's aid society.

A couple of other areas of professional experience or development I'd like to discuss include participating in a week-long training program with the Society of Adjudicators and Regulators, participating in a national conference for representatives of criminal injuries compensation boards, as well as being a participant at the conference of the Council of Canadian Administrative Tribunals.

I've also had the opportunity to make a number of presentations on issues related to victimization, including being a guest presenter at the senior officers' meeting of the Stormont, Dundas and Glengarry detachment of the Ontario Provincial Police; guest speaker at the Canadian Police College RCMP week program; and guest lecturer at Carleton University, the University of Ottawa and Algonquin College.

As I mentioned at the outset, it was a very brief opening statement. I certainly welcome any questions you may have.

The Chair: Ms. Harmison, thank you very much for your background and your interest in the position. As I mentioned, all three caucuses will have the chance to ask questions, beginning with the third party.

Mr. Bisson: I don't have a problem as far as your qualifications. You've been around the Criminal Injuries Compensation Board for a long time. Just to be clear, though, you had two three-year appointments in 1997

through 2003, and since then you've worked as the executive assistant to the chair up to 2005, right?

Ms. Harmison: Yes.

Mr. Bisson: So you are no longer with the board in any capacity?

Ms. Harmison: In any capacity, no.

Mr. Bisson: So what makes you want to go back? How did you end up back here again? I'm just curious.

Ms. Harmison: Certainly working with victims and with the board is important work for me. I was unable to continue on as a board member working in the OPS. You can't be in the OPS as well as have an appointment. Certainly in March, when I switched and left the OPS to work for a lawyer out in private practice, it was an opportunity to return to do work that I am very much committed to.

Mr. Bisson: Well, I guess my question is, did you seek the appointment or did somebody seek for you to reapply?

Ms. Harmison: I sought the appointment.

Mr. Bisson: I'm just curious, to legislative research. I think it's the first time I've seen this, where somebody comes back. It's not a very common practice, right?

Ms. Carrie Hull: I think they may have.

Mr. Bisson: There are no rules. This particular appointment, though, to the Criminal Injuries Compensation Board, can only be a maximum of two. Is that what the rules are on this one? Obviously, this is not a re-appointment, because she's reapplying, but just for my own knowledge.

The Chair: We'll look it up and get back to you, if you don't mind.

Mr. Bisson: Those are all my questions.

The Chair: We'll proceed to the government members. Mr. Parsons.

Mr. Parsons: We've certainly read your resumé and application, and I guess my thought that you're certainly more than qualified was only reinforced by your actually being here. I'm not sure why you were called to appear today, because you certainly have the experience and qualifications. Thank you.

The Chair: Thank you, Mr. Parsons. The official opposition.

Mr. Tascona: Gemma, I appreciate your coming here today. I had some questions I wanted to ask you. I know you've got a strong interest in this area. Just to follow through on it, where were you residing when you had your two terms? You said you moved to Barrie in 2005.

Ms. Harmison: In the Ottawa area, originally right in Ottawa and then, subsequently, in Prescott-Russell.

Mr. Tascona: Your term ended September 2003. Is that because you could only serve two terms?

Ms. Harmison: My understanding was that at the time, generally, it was a maximum of two three-year terms.

Mr. Tascona: So you didn't get reappointed after September 2003. And then you became the executive assistant to the chair of the board from February 2004 to June 2005?

Ms. Harmison: Yes.

Mr. Tascona: That would have been as an employee role?

Ms. Harmison: Yes, that was within the OPS.

Mr. Tascona: Were you a part-time board member back in 1997 to 2003?

Ms. Harmison: Yes, that's all part-time membership.

Mr. Tascona: And this one's a part-time also.

Now, from the research paper that we were provided it says that all part-time members receive a per diem of \$135 for every day spent on board business. The act sets no limit on the length of term members can serve, but it's usually three years, with the possibility of reappointment. My question is not necessarily to you. It falls out of the new policy that has been put in place by the Minister of Government Services. He set a new policy in place on September 1 with respect to public appointments.

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I guess my question to the legal researcher is whether this particular appointment would be covered by the new policy that has been put forth by the Minister of Government Services, in terms of how that would apply. The Minister of Government Services, just for your information, has put forth that "appointments will now be up to a maximum of 10 years, and structured as follows:

"Initial appointment of two years

"Reappointment for a term of three years, a decision that rests with the appointing authority

"Reappointment for a further term of five years, a decision that rests with the appointing authority."

I'd like to understand what kind of term of appointment we're dealing with here. I don't know whether you can expand on that. Do you know what term you're up for?

Ms. Harmison: I don't know, and I'm not familiar with what you've just indicated as the new procedure in that regard.

Mr. Tascona: It just came in place September 1. It's new to everybody. I thank you on that one.

The other part of it is in terms of the Ombudsman, André Marin, who issued a press release on August 23. I don't know whether you're familiar with this, but he's investigating the Criminal Injuries Compensation Board with respect to whether—they've been getting an increasing number of complaints over the last five-month period, and he's going to look into them with respect to certain areas. I'll just share these with you, and you may want to offer your comments if you can:

"Many of the complaints allege lengthy administrative delays, in some cases of up to several years, before a decision or award is received. Complaints also allege that victims of crime are being re-victimized as they go through the process of seeking compensation through the board and they are unable to obtain closure due to the long, drawn-out procedure. Concerns have also been raised about heavy bureaucratic burdens and demands for complex and voluminous paperwork, which are placed on victims who are applying to the board for compen-

sation for injuries including compensation for pain and suffering, medical care and treatment and lost income.”

Just to be fair, you’ve got a fair amount of experience in this particular area. Do you want to comment on any of that? Do you have any comment with respect to those remarks made by the Ombudsman with respect to your experience?

Ms. Harmison: I certainly did read the report. I haven’t been working with the board over the past year. I don’t believe it would be appropriate for me at this time to make a comment with regard to an ongoing investigation.

Mr. Tascona: Yes. You’re coming back now, and you certainly have the qualifications and the interest, which is great. What areas interest you that you really want to work on in terms of being a part-time member of this particular board?

Ms. Harmison: Certainly doing the best that I can as a board member in that capacity to serve crime victims. What that means for a board member is reaching fair decisions that are in accordance with the applicable statutes, and submitting those decisions that I make as a board member in a timely fashion.

Mr. Tascona: But what brings you to this area? What interests you in this area? What do you find intriguing about the work? It sounds like it’s fairly challenging.

Ms. Harmison: It’s certainly something that most of my working experience has involved: serving crime victims. I’ve had the opportunity to serve and/or represent crime victims at a community, provincial and federal level and it’s something I feel very strongly about and very committed towards.

Mr. Tascona: Just explain the process in terms of how your job would work, because you’ve been there. Can you just share it with us?

Ms. Harmison: As an adjudicator?

Mr. Tascona: Yes.

Ms. Harmison: It involves either sitting as a single member on documentary hearings—that would be making decisions based on the documentary evidence that’s contained in the particular file, which would include records from the police, from hospital, from other treatment professionals, and reaching a decision based on that information in accordance with the applicable statutes—and at times sitting as part of a two-member panel on oral hearings that are held throughout the province.

Mr. Tascona: In terms of your work, will you be working throughout the province or would you be specifically in the Barrie area in terms of the types of cases you hear?

Ms. Harmison: It’s my understanding that I’d be doing predominantly the documentary decisions, which are decisions based on a file review, as opposed to travelling. I’ve travelled for six years and lived out of a suitcase for six years doing that. Primarily, at this point, I believe it would be doing documentary decisions or perhaps at times sitting as a two-member panel at hear-

ings that are held in Orillia, which is one of the locations where the board sits.

Mr. Tascona: So where would you do the documentary review?

Ms. Harmison: That’s something that’s done at home, at a time outside of regular work hours.

Mr. Tascona: What’s the purpose of a documentary review?

Ms. Harmison: It’s to adjudicate a file, just as it would be to adjudicate a file at an oral hearing. Generally, files that are scheduled for a documentary review are ones that are straightforward, where there’s sufficient information based on the documents alone for a board member to make a decision. Those are the ones that are set down for a documentary hearing, as opposed to an oral hearing.

Where I say they are straightforward cases, it may be an instance where the police report indicates that there’s been a conviction and, under the legislation, a conviction is conclusive evidence that the crime has in fact occurred. In addition, there would be sufficient medical evidence—so hospital records, reports from various other treatment professionals indicating what the injuries were, both physical and emotional—and sufficient information to base a fair decision on.

Mr. Tascona: I’ve heard reports that the system is being used not only by innocent victims of crime, but also that people who perpetrate the crime have come to this fund looking for compensation. Has that been your experience?

Ms. Harmison: There may be cases where that happens. The criminal injuries board, like any other agency, may have cases that come before it that don’t entirely fall under the intended mandate of the board.

Mr. Tascona: So the mandate of the board could cover non-innocent victims of crime?

Ms. Harmison: Subsection 17(1) of the act requires that the board take into consideration any behaviour on the part of an applicant which may have contributed directly or indirectly to the crime that was committed. As well, subsection 17(2) of the act requires that the board take into account the level of co-operation that’s provided to law enforcement agencies. So although there may be those who are involved in crime themselves who have applied, there are sections of the act that speak directly to that.

Mr. Tascona: Do you think that’s sufficient or should there be amendments?

Ms. Harmison: I don’t know if that’s something I should comment on, particularly. Right now, board members are responsible for working under the confines of the act as it stands, and that’s the legislation that we have.

Mr. Tascona: That’s a fair comment. It would just seem to me that even a layperson would look at it and say, “Why are we compensating people who perpetrate the crime?” I’ve heard of these people applying for that in reports. So that’s very interesting.

I thank you very much. I think you’ll be an excellent addition for your reappointment. We’ll find out for you,

if we can, in terms of what your term is and how it applies under the September 1 policy.

The Chair: Ms. Harmison, thank you very much for your presentation. As you know, we are half an hour ahead of schedule. So thank you for being here earlier to help facilitate the changes in the agenda or, actually, the rapid flow of the agenda today. I welcome you to stick around. We're going to move to the concurrence votes probably in a half hour to 45 minutes' time. If not, thank you for appearing before the committee.

Mr. Bisson and Mr. Tascona both asked questions of legislative research with respect to the potential re-appointment of Ms. Harmison—and the terms, I believe, from Mr. Tascona. We don't know the answer to whether the new policy impacts as of yet. So legislative research will be making an inquiry through the appointments secretariat and through the ministry to try to get back to committee members on those two questions.

Our next intended appointee is Mr. O'Brien. That was scheduled for 4:30. We tried to get in contact with him but are unable to do so, so we should expect him around 4:30. In the interim, I'll move to other business and see if we have any other business that committee members want to discuss until Mr. O'Brien arrives.

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Mr. Tascona: I've raised with the members who sit on the subcommittee—Mr. Parsons and Mr. Bisson—two areas that I've put out for consideration at this point. I'd like to consider what my thoughts were, and I spoke with these members about inviting the Minister of Government Services and his staff to discuss with this committee two areas that the minister is acting on. The first is the policy that came into effect September 1, 2006, with respect to changing the approach of provincial adjudicative and regulatory agencies with respect to compensation, and also their terms. That was put forth in a news release of June 29, 2006, by the minister, which indicates: "Effective September 1, 2006, appointees to regulatory and adjudicative agencies will be paid an amount similar to Ontario public service executives." The appointments process will also be changed.

Secondly, I received, as other members would have received, a press release that was sent out on September 1, 2006, "Ontario Launches Pilot Project to Modernize Administrative Justice Agencies." It indicates: "The Ontario government has appointed a facilitator to lead a project that will improve public services at provincial administrative justice agencies." The facilitator is going to be Kevin Whitaker, who is currently the chair of the Ontario Labour Relations Board. He's going to work with a group of five agencies to improve service. The agencies that he's going to deal with, apparently, are the Assessment Review Board, the Board of Negotiation, the Conservation Review Board, the Environmental Review Tribunal and the Ontario Municipal Board. That's another initiative that's being taken by the Minister of Government Services.

I put that to Mr. Bisson, the invitation to Minister Phillips and his staff to discuss those two areas with the

standing committee. I want that to be on the record. Mr. Parsons has been kind enough to say that he's going to review this. Mr. Bisson at this point in time has indicated he's in support of it and would like to do it. So I'll just leave that for the record, and Mr. Parsons can get back to us as soon as possible, hopefully before the end of the hearings this week.

The Chair: Any further comments or questions on Mr. Tascona's point? Seeing no other comments or questions, is there any other business to discuss with the committee at this point in time?

To kill time, why don't we move to the concurrence vote on Gemma Harmison?

Ms. Smith: She wanted to be here.

The Chair: Is she still here?

Interjection.

The Chair: I'd like to take this moment to introduce a couple of guests we have in the audience. These are Chinese delegates from the research office of the National People's Congress: Ms. Chenfeng Cai, senior legislative researcher, and Dr. Chunhua Li, senior legislative researcher. Welcome to the committee. It's good to see you both. How many members are there in the National People's Congress?

Interjection.

The Chair: Wow. Do you know them all by name?

I also recognize Doug Arnott, who is with us as well today. Mr. Arnott, it's always a pleasure to see you, sir. Is it true that you're spying on Tonia to check up on her and do peer review?

Any other business, by the way?

Interjection.

The Chair: She's here. Ms. Harmison, welcome back to the gallery. We thought, in the interests of time, we may as well move ahead with your intended appointment vote. I'm pleased that you're here in attendance for this aspect of the committee hearings. I'll move to concurrences for Ms. Harmison, and then we'll revert to intended appointments.

We'll now consider the intended appointment of Gemma Harmison, the intended appointee as member of the Criminal Injuries Compensation Board.

Mr. Parsons: I would move concurrence.

The Chair: Mr. Parsons moves its concurrence. Is there any discussion?

Mr. Tascona: I would second that.

The Chair: Thank you, Mr. Tascona. Any other discussion? All those in favour? Opposed, if any? It is carried.

Ms. Harmison, congratulations. Best wishes at the Criminal Injuries Compensation Board. Thank you for sticking around.

DAVID O'BRIEN

Review of intended appointment, selected by official opposition party: David O'Brien, intended appointee as member, OMERS Administration Corp.

The Chair: This handsome gentleman who just walked in is David O'Brien, if I recognize Mr. O'Brien. Thank you for joining us. Please come forward to the table. Mr. O'Brien, as members will know, is an intended appointee as a member of the OMERS Administration Corp., the new entity following the passage of, what was it, Bill 102?

Mr. David O'Brien: Bill 206.

The Chair: Bill 206, the OMERS legislation.

Mr. O'Brien, thank you for coming in early as well. We had speedily dispatched with the earlier part of the agenda, so thanks for being here. You are welcome to make some opening comments about your experience with OMERS and your plans as we go forward. Then we will begin with the government for any questions or comments and do a rotation basis of 10 minutes per caucus. Mr. O'Brien, welcome. The floors is yours.

Mr. O'Brien: First of all, let me thank the committee for the opportunity to appear before you this afternoon. I'm going to make a very brief statement at the beginning and try to review some of my experience, which may lead to a better understanding of my qualifications for this appointment. I'm proud to say that I've been a member of OMERS for 32 years, I hate to say, and have been a sustaining member. I've contributed for all of those years.

My present position is president and CEO of Toronto Hydro Corp., which is the largest municipal public utility in Canada. We have about 1,800 employees. About 20% of the energy that's produced in this province comes through our system, and we do about \$2.5 billion a year in revenue that comes through our company. I've only been in that position for a little over two years. My experience is primarily in the municipal world, and that's where I earned my spurs, I guess. I started my career in Sudbury, way back when, in 1974, and moved from there to Ottawa and actually worked for three municipalities in the Ottawa area—the region of Ottawa-Carleton, the city of Gloucester and the city of Ottawa—before going to Mississauga in 1995. I had the pleasure of spending 10 years in Mississauga as the city manager, working with Hazel McCallion, which was an experience I'll never forget. She continues to be a dear friend.

During that time, Hazel had a penchant for seconding me to various situations, I guess is the best way to put it. Some of the members here will recall the famous Who Does What panel that was set up under David Crombie some time ago. Hazel was appointed to that committee and I was appointed to the secretariat. I should say that I was the only municipal employee working on the secretariat that supported that committee; all the other members were staff from the provincial government. I was also seconded to do the restructuring of the Hamilton-Wentworth region. And for a very brief time, in 2004, I was seconded as the associate and then Deputy Minister of Energy. I think I'm the shortest-serving deputy minister in the history of the province, certainly in the Ministry of Energy. I think I was the actual deputy for about two months. The reason for that was that I was

seconded for a six-month period, and on my way back to Mississauga, after Hazel hounded the Premier that I should come back, I was asked if I would be interested in the job with Toronto Hydro, which I accepted and have no regrets about. It's a wonderful company and a wonderful place to work.

My community experience: I've been involved with both the hospitals in Mississauga—the Trillium hospital and the Port Credit hospital—on the board of both. For six years, I was involved with Sheridan College, and was the chairman of the board of governors of Sheridan for about two years.

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From an industry perspective, one of the other secondments that I had from Hazel and the city of Mississauga was that I was the founding CEO of Enersource Mississauga, which is the Mississauga electrical utility. I set that company up. That was at the time that the utilities were moving from commissions into OBCA companies. Therefore, we had to set the new organizations up to be private sector companies. I served in that role, establishing the company and setting its wheels in motion for a year, and then was appointed by the city council to the board for five years.

I'm a member of the Electrical Distributors Association board, and I am the incoming chair of the Ontario Energy Association.

I think that my experience both in the municipal world and now in the quasi-private sector gives me the background required to go into this particular position. I've had an interest in OMERS for a long time. I have known the executives of the company and many members of the board over the years. I think that, without question, I can bring the benefit of my years of experience in the municipal world and now the utility world to the board. The OMERS membership is vastly made up of employees of the municipal sector—certainly the CUPE members, the non-union and management members and the police and fire make up the majority of the membership of that particular board—so I feel very comfortable that I can lend some expertise to the board over the next number of years.

The Chair: We'll begin any questions or comments with the government side. The government side has five minutes. Mr. Parsons.

Mr. Parsons: We have no questions. It was very impressive.

The Chair: You have four minutes and 50 seconds.

Ms. Smith: We'd be happy to end early.

The Chair: All right. The official opposition. Mr. Tascona.

Mr. Tascona: Thanks very much for coming here today. I really appreciate it. This is an area that I find interesting because of the pension implications. I understand, just from our research—we have research that was done, and I don't know whether they share that with you—

Mr. O'Brien: They did; they sent me a copy. Thank you.

Mr. Tascona: Great. Is it correct that you're going to be a representative of other participating employers?

Mr. O'Brien: Yes. I was nominated to the board after a request from the Minister of Municipal Affairs to the Electrical Distributors Association for two members: one for the administration board and one for the sponsors corporation.

Mr. Tascona: Looking at the plan—and I'm looking at page 8 of this document. If I can refer you to that, it's under table 8, "Plan Valuation," under "Financial Management of the Plan." Just to understand this—it says that the actuarial valuation as at December 31, 2005, is in the millions. Would the actuarial assets be \$38 billion?

Mr. O'Brien: Yes.

Mr. Tascona: And then the actuarial liabilities would be \$41 billion.

Mr. O'Brien: Yes.

Mr. Tascona: So the basic plan funding deficit is \$2.7 billion. So it's underfunded at the moment. But then it refers to the "full earnings plan funding deficit," which is \$138 million. Can you just explain to me what the difference between those two is?

Mr. O'Brien: The plan is actuarial-based, so as the actuarial numbers unfold, the plan valuation will change. It's also dependent upon the mix of the investments. They have private equity investments and investments in the markets, so a combination of the actuarial long-term look and the projected incomes would make up that particular difference. But I should say that there's no doubt that OMERS, at the present time, is running a deficit.

Mr. Tascona: But what does "basic plan funding deficit" mean?

Mr. O'Brien: That's the very basic plan, where members have what they call normal retirement, age 65, if you calculate it on that basis. It's when people decide to leave early or there are supplemental plans where people—police and fire, as an example—could contribute more and can leave early. All of that adds up to the balance of the difference.

Mr. Tascona: Then the full earnings plan funding deficit is a much lower figure.

Mr. O'Brien: It is, yes.

Mr. Tascona: So what is that as a percentage—

Mr. O'Brien: I don't know what it is, offhand. Sorry.

Mr. Tascona: Okay. Now the return is, you know, very impressive. It was 12% the previous year; it was 16% in the most recent fiscal year. That's a fairly significant percentage of return. Based on the deficit that you do have—because that's a fairly significant deficit, \$2.7 billion—is there any discussion or are you aware of any plans to address that, either through increased contributions or—I guess if you can continue to hit home runs on your investment returns. I'd like to get 16%; that's impressive. Do you have any information to share with us on that?

Mr. O'Brien: Yes. I'd like to say two things. One is: Will there be increased contributions in the future? Probably. As a matter of fact, the members have been

advised that there will quite possibly be a contribution increase, although that decision has yet to be made by the board.

The second thing, as I said a little earlier, is the mix. If you look on page 9, you'll see that some of the mix that OMERS has in table 10—the infrastructure and real estate portions of the mix are the ones that are driving that 16% return. It's not the public market investments that are driving that return. The emphasis will be to increase the infrastructure and real estate investments to drive that return.

Will the return be 16% sustained over a long haul? Probably not. It will probably be lower than that, but hopefully it'll be north of 10%.

Mr. Tascona: When you say "public market," I take it that's stock market.

Mr. O'Brien: Yes.

Mr. Tascona: Is any of that in Canada?

Mr. O'Brien: Oh, yes; lots of it's in Canada. I don't know the proportion, but there is a large portion of it in Canada, yes.

Mr. Tascona: Okay. And "private equity": What does that mean?

Mr. O'Brien: It's investments by OMERS in non-public-market assets: companies, new innovations, up-and-coming technologies—things like that.

Mr. Tascona: How's it going to work with respect to the supplemental benefits that, I take it, the paramedics and the police and fire are going to receive? Are they going to have to make increased contributions to get that? Where is that money going to come from?

Mr. O'Brien: What's going to happen there is that they're basically going to fund their own plan. What it will do is allow them to do things a little differently. Presently, every member of OMERS works under a "highest invests 60 months" to calculate the pension, so your "highest invests five years" is what drives your pension, based on a normal retirement age of 65. You can go earlier if you've got 30 years of service and are aged 55. Police, fire and paramedics have the opportunity to leave at 60, and they already contribute more to that plan than those who contribute to the 65 level.

The new plan under the proposed sponsors committee is that the 60-month period of calculation will be reduced to either three or four years rather than five. In order to get that decreased calculation you have to increase your contribution. So the sponsors fund will have to fund that particular initiative on its own. It will not affect the broad fund. It's very focused into that.

Under Bill 206 the sponsors committee can choose to amend the benefits over a period of time. Every three years they can amend a portion of the benefits their members are going to get. It's only restricted to police, fire and paramedics.

Mr. Tascona: That's their own fund. What happens if they're underfunded?

Mr. O'Brien: If they're underfunded, the main fund has the liability.

Mr. Tascona: Really? What control do you have with respect that they invest their funds in a reasonable—

Mr. O'Brien: We are the investment. The admin board does all of OMERS' investments.

Mr. Tascona: Okay. So that would include their supplemental plan.

Mr. O'Brien: Absolutely. Yes.

Mr. Tascona: Do they have their own representatives on the supplemental plan?

Mr. O'Brien: They have, I believe—I'm going to say 14 members; it may be 12: six non-union management and six union from the various unions that are represented by the plan overall. What they can do in that plan is very restricted. They can't come in holus-bolus on day one and say, "Okay, we're going to change everything." You can change one component of it every three years as you move forward.

Mr. Tascona: I take it that the municipality is going to have to be an agreed partner in that arrangement.

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Mr. O'Brien: Yes, and that's a very good point. As Bill 206 evolved, the sponsors corporation was a very contentious issue, because obviously the plan is funded with equal contributions by employer and employee. So if the employees, under the sponsorship program, increased their benefits, that logically increases the employer's contribution. In the end, Bill 206 required that a two-thirds majority be required in the sponsors corporation to amend any of the benefits. That's one of the checks and balances that have been built in.

Mr. Tascona: Two thirds of what?

Mr. O'Brien: Two thirds of that sponsors corporation board has to approve an amendment to a plan. So that's kind of a control that's built in. Without two thirds, you can't do the amendment.

Mr. Tascona: Okay. In terms of the age of active members, they didn't give the percentages here on page 6, but certainly of the retired members a significant portion is 60 and above.

Mr. O'Brien: Yes.

Mr. Tascona: With respect to active members, it would appear to be heavily weighted between 40 and 59.

Mr. O'Brien: Yes.

Mr. Tascona: So that's going to be a challenge.

Mr. O'Brien: It's a challenge. It's not only a challenge with respect to the OMERS pension fund; it's a challenge, as you probably know, in business right now. The baby boomers are fast approaching their exit years. In my company, the average age of our employees is 48. So we're very concerned about what's going to happen in the future. And the plan is the same way. That's why you have to be very careful about your investments and that you put them in areas that have tremendous growth opportunities like infrastructure, real estate and public equity. The bond markets and investments in the stock market are just not going to drive the agenda.

Mr. Tascona: Thanks very much. I appreciate it.

The Chair: Mr. Bisson.

Mr. Bisson: You actually answered most of the questions I had. There are just two additional questions.

One is on this report that we got from legislative counsel or legislative research, which is quite good, I must say; a good job on this one. There's a shift coming where we're going to be moving from 80% to 60% in the mix when it comes to investments in public assets versus more in real estate, and I think the other one—was it private equities?

Mr. O'Brien: Private equity, yes.

Mr. Bisson: Is that wise? I heard what you said at the end, but—

Mr. O'Brien: I think it is wise, for this reason: If you look at the infrastructure in this province—and I'll look at it from the context of the municipal world, which I'm most comfortable with—the infrastructure is in tremendous need of fixing. My company over the next 10 years will invest about \$1.5 billion in the utility assets in Toronto, and that's just a utility company. You can imagine all the other public sector agencies, if you look at it in that context. So I think moving your investments over there is probably a very good idea, because that's where the demand is going to be, a big demand in that area.

Mr. Bisson: So it's not real estate in the typical sense. What types of investments would that include?

Mr. O'Brien: Acquiring the big office towers in downtown Toronto and in major urban centres.

Mr. Bisson: So not shady real estate deals.

Mr. O'Brien: Oh, no.

Mr. Bisson: I was just wondering. There was a flag that went up in my head.

Mr. O'Brien: OMERS bought Oxford Properties, as an example, a couple of years ago, and that formed the basis of the real estate.

Mr. Bisson: And you're saying, based on what we know, what we're projecting as far as economic growth, that there will be more and more need for space and therefore blah, blah, blah.

Mr. O'Brien: Yes.

Mr. Bisson: On private equities: What kinds of investments are those specifically?

Mr. O'Brien: Start-up companies, where we would take up a part of it.

Mr. Bisson: All right. The other thing is that your appointment comes as representing what group?

Mr. O'Brien: The Electricity Distributors Association, which is the association that represents all the electrical utilities in Ontario.

Mr. Bisson: So you would be their voice at this particular—

Mr. O'Brien: Yes. We would have two members. One would be on the sponsors corporation, and I would be on the admin board.

Mr. Bisson: So we should have a chat afterwards about my portfolio. Thank you.

Mr. O'Brien: I'm going to have to sign a conflict of interest, so I would not be able to advise you.

Mr. Bisson: No, it's just a mug's game, you know.

Mr. O'Brien: It is.

The Chair: Any other questions, Mr. Bisson?

Mr. Bisson: No.

The Chair: Mr. O'Brien, thank you for your appearance before the committee. That concludes our time together.

Mr. O'Brien: Thank you very much.

The Chair: No problem. Please stick around, because the next thing we will do is to vote on your intended appointment. So you're welcome to stay and watch the fireworks.

We will now consider the intended appointment of David S. O'Brien, intended appointee as member of OMERS Administration Corp.

Mr. Parsons: I would move concurrence.

The Chair: Mr. Parsons moves concurrence.

Debate? Comments or questions? Seeing none, all those in favour of the motion? Opposed? It is carried.

Mr. O'Brien, congratulations. We wish you the best in the OMERS Administration Corp. Again, thank you for coming in earlier today than originally scheduled. We much appreciate it.

Folks, that concludes our lengthy agenda for the regular meeting of Tuesday, September 5. I would remind members that we reconvene tomorrow at 10 a.m. We'll be back in the Amethyst Room, room 151; we'll be the stars of the show tomorrow in the Amethyst Room. The Ontario Lottery and Gaming Corp. will be our guest. That was a call of the official opposition, so the official opposition will open the round of questioning. We'll follow the same pattern as we did today: You'll start, and then we'll do 15-minute rotations. Similarly, in the afternoon, the official opposition will open the questioning with the Canadian Gaming Association.

Members may be aware that we had a number of cancellations, so our last delegates will be appearing at 2 p.m. tomorrow, as opposed to 3:30 as normally scheduled.

My friends, thank you very much. We are adjourned until tomorrow at 10 a.m.

The committee adjourned at 1626.

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A-16

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Deuxième session, 38^e législature

Official Report of Debates (Hansard)

Wednesday 6 September 2006

Journal des débats (Hansard)

Mercredi 6 septembre 2006

Standing committee on government agencies

Agency Review:
Ontario Lottery and Gaming Corp.

Comité permanent des organismes gouvernementaux

Examen des organismes
gouvernementaux :
Société des loteries et des jeux
de l'Ontario



Chair: Tim Hudak
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GOVERNMENT AGENCIESCOMITÉ PERMANENT DES
ORGANISMES GOUVERNEMENTAUX

Wednesday 6 September 2006

Mercredi 6 septembre 2006

The committee met at 1003 in room 151.

AGENCY REVIEW

ONTARIO LOTTERY AND GAMING CORP.

The Chair (Mr. Tim Hudak): Good morning, folks. The standing committee on government agencies meeting of Wednesday, September 6, is now in session. Welcome back, folks. A special welcome to our friend Michael Gough for his third straight appearance at the standing committee on government agencies.

Mr. Michael Gough: It's a pleasure to be back, sir.

The Chair: And it's a pleasure to see Duncan Brown. I had a great opportunity to work with Duncan in a previous life, what I refer to as back in the day. It's nice to see you here as well, sir.

Members of the committee, we'll follow the same format as we did successfully yesterday. I'd invite Michael, as chair, to make some opening comments about the Ontario Lottery and Gaming Corp. I ask you to keep it brief, as we have the introductory letter. Then we'll open up into questions and comments from members. We follow a rotation basis. The OLG is at the call of the official opposition, so they'll begin the 15-minute cycles and we'll move through until noon. If there's any remaining time, it will go to the official opposition. The same thing happened yesterday in the cycle in favour of the government, and will for the third party tomorrow. Then we will reconvene at 1 p.m. with the Canadian Gaming Association, followed by Dr. Robert Williams by videoconference and then the Ontario Problem Gambling Research Centre. Then, Mr. Gough, if you're still available to make some final comments in response to the deputations we hear, we welcome you to do so. Welcome, sir, and the floor is yours.

Mr. Gough: Thank you, sir. I'm Michael Gough, chair of the OLG, and with me is Duncan Brown, chief executive officer. I'll start with a brief overview of OLG.

We've become one of the largest and most successful gaming companies in North America. We have over 20,000 employees at 33 locations and almost 11,000 lottery retailers. Our gaming and lottery activities generate more than \$6 billion in gross revenue annually, and from this we provide the province with approximately \$2 billion in non-tax revenues. The money, of course, goes to support the operation of Ontario hospitals and other health care programs, the Ontario Trillium Foundation charities and, importantly, responsible gaming initiatives.

In addition, the corporation creates welcome employment in host communities across Ontario, and we purchase many millions of dollars of goods and services from local vendors in those communities. The corporation shares its slot machine revenue with host municipalities and with the horse racing industry. Last year, we shared almost \$70 million in slot revenue with our municipal hosts, and we paid almost \$300 million to racetrack operators, horse owners and the agricultural community in Ontario that supports horse owners and the race operators. The corporation also pays commissions of more than \$165 million to its almost 11,000 lottery retailers, many of whom are small, corner store operators.

Finally, we sponsor and get involved and participate in activities within host communities. For example, last year we pledged, over three years, \$750,000 to the construction of a new hospital in Sault Ste. Marie. That's quite important to us because it's the head office of the corporation and it's home to I think more than 900 of our employees and their families.

I think, Mr. Chairman, you'll agree that we've come a very long way since we sold our first Wintario ticket in May 1975.

This was intended to be a two-part statement, but we realize we've got a five-minute time limit. Duncan Brown was going to speak to the current market conditions we face and some of the initiatives in problem gaming. We can abbreviate those or move right into questions, because I know we'll deal with both of those issues during the course of the morning.

The Chair: You've been very brief. I still have three minutes on the clock I've designated, if you want to use part of that. I'm sure problem gaming will come up as questions as well from the members, so your call.

Mr. Gough: Let's go right to the questions.

The Chair: Super.

Mr. Gilles Bisson (Timmins-James Bay): I wouldn't mind a few abbreviated comments, if he has the time and he's willing.

The Chair: I think the indication from our guests is that they would like to proceed with the questions from members. I suspect that some of these items are going to come up in questions.

Mr. Bisson: It was going to be my first question.

The Chair: With great suspense, I looked forward to my colleague from Timmins-James Bay's opening questions and now he's given it away. Why don't we

proceed with the questions and answers. I suspect those issues are going to come up.

Thanks for the presentation and its brevity. The official opposition has 15 minutes.

Mr. Joseph N. Tascona (Barrie-Simcoe-Bradford): Welcome to the hearings today. I just want to ask you, Mr. Gough, because I ask you this every time, are you feeling lucky today?

Mr. Gough: I do feel lucky most days, sir, but I want to tell you I haven't bought a lottery ticket on it.

The Chair: Wasn't it Clint Eastwood who used that line?

Mr. Tascona: I just want to ask you a few questions on the rebranding issue. Where did the idea for rebranding the name of the OLG come from and how was this need identified, particularly since the OLG has no competitors?

Mr. Gough: Let me make a preparatory comment before asking Duncan Brown to respond to that. As part of our governance, the decision was made some years ago to separate the position of chief executive officer from chair. I am a non-executive chair of the Ontario Lottery and Gaming Corp., which means, as chair of the board, we oversee all of those important issues, strategic plans and so on, but I do not become involved, nor do directors, in the day-to-day operations. But Duncan Brown becomes very much involved in those operations. I can deal with issues of policy, and there are a number of questions, I'm sure, that—

Mr. Tascona: Sure. You two can work together. Mr. Brown?

1010

Mr. Brown: Thank you. Actually, I appreciate the question to talk about rebranding. The research that we started conducting probably a year and a half ago, two years ago now, suggested that less than 10% of the population could actually identify all of our lines of business and knew what the Ontario Lottery and Gaming Corp. was.

The concern that starts to create for us is that in the absence of people knowing what we do and what we're responsible for and ownership of some of these facilities—for example, a great part of the public had no idea that the large destination casinos or the racetrack slot operations were run by us, by government—the concern starts to develop that if they don't know who is running it, then questions about potential integrity of operations start to appear. From our point of view, it was important that we begin to establish with the public exactly what we do and the fact that the government is standing behind the gaming enterprise in this province.

Interestingly enough, when told this, the research respondents had a much higher degree of confidence in the gaming operations, knowing that OLG, the same company that brings you 649 is also the operator of the casinos. That was the first consideration.

The second consideration was around our responsible gambling messaging. We've conducted three flights of advertising over the last year or year and a half, and all of

it identifies the message as coming from the Ontario Lottery and Gaming Corp., but again, because the public doesn't know who we are, doesn't know what we do, it doesn't necessarily have any particular significance or meaning or influence or power attached to the message that we're trying to deliver. Although those communications have been effective, over the long term they can only become more effective as the public becomes more comfortable and trusting in who we are and what we do.

Mr. Tascona: Well, how has dropping the "C" from the OLG benefited taxpayers?

Mr. Brown: What I'd also like to say, Mr. Tascona, is that there is another element to this which is also very important to us, and that concerns our employees. It is imperative that we harness the capabilities, the skills and the intelligence of the thousands of employees we've got behind a single set of values and a commitment to a corporation, that they understand what it represents.

When we look at this, the rebranding initiative was around a need to fill an information gap, a risk to our gaming operation's integrity and reputation, the need to make our messaging more meaningful, an opportunity to bind the thousands of employees together behind a common cause and, frankly, an opportunity to get much more effective marketing expenditures. For example, we had 22 different gaming sites with 22 different names, 22 different looks, 22 different themes. That is not an effective use of marketing expenditures. By bringing all of these together under one common brand, there will be some efficiencies and some savings for us.

Mr. Tascona: So how has dropping the "C" from the OLG benefited taxpayers?

Mr. Brown: The interesting thing about the logo is that it is one part of rebranding, but it is only one part. The logo is a visual symbol, an identification that sparks in the public who see it a particular reaction. So this is not about dropping a "C." This is about creating a brand that will represent trust, integrity and effective gaming operations.

Mr. Tascona: So that's how it benefits taxpayers? Is that your answer?

Mr. Brown: The taxpayers, I believe, will be benefiting from this in a number of ways. The fact that we will be better understood and there will be a higher level of confidence and trust in operations can only improve what we do and how we do it and the potential for increased revenues as people feel comfortable with the operator of these sites. As I mentioned, the opportunity to achieve cost efficiencies by going from over 20 different brands down to one is real and meaningful.

Mr. Tascona: We've submitted a freedom of information request for all the costs associated with the rebranding, including the cost of replacing all the existing promotional material that has the former OLG name, but we haven't received the information yet. Can you tell us today how much this will cost?

Mr. Brown: When we look at the branding program and all that goes into it and the benefits, it was a very carefully considered priority for us. So what we've done

is we have reallocated marketing expenditures from other categories and other strategic initiatives to fund this. It's hard to say exactly what it will cost at the moment until the accountants get through with our books, but I would expect that somewhere between \$4 million and \$6 million will be expensed this year.

Mr. Tascona: Bensimon Byrne, which was the Liberals' 2003 election campaign ad agency, I understand, had a contract with the OLG from April 1, 2001, to March 31, 2004, on a retainer of \$38,000 per month. A new contract with the identical description of the work expectations commenced April 1, 2004, and runs to March 31, 2007. The only difference is that the pay has more than doubled, to \$78,500 a month. Can you explain the reason for this generous increase to Bensimon Byrne?

Mr. Brown: Our selection of advertising agencies is conducted under the guidance of the Advertising Review Board. We currently have more than six agencies that we utilize. All of the agencies are selected according to those ARB processes and procedures. Then we utilize the agencies in accordance with the skills that they can best bring to the particular assignments. Bensimon Byrne or any of the agencies would be compensated based on competitive rates for the work that they're doing.

Mr. Tascona: So why did you double it?

Mr. Brown: If there was an increase—and to be quite candid, Mr. Tascona, I'm not familiar with the intricacies of the contracts; we have a group of very skilled and very professional marketing folks who handle this—I would expect that the scope of work and competitive pressures led to an increase.

Mr. Tascona: Just so I'm clear, you are the CEO of the OLG?

Mr. Brown: Yes, sir, I am.

Mr. Tascona: What are your hours of work during the week at the OLG?

Mr. Brown: As long as the BlackBerry functions, Mr. Tascona, I'm working.

Mr. Tascona: I take it you meet with your management team. Who's the most senior person in charge of marketing?

Mr. Brown: Our chief marketing officer is a gentleman by the name of Alan Berdowski.

Mr. Tascona: I take it you meet with him?

Mr. Brown: Yes, sir, I do.

Mr. Tascona: How regularly?

Mr. Brown: Oh, a couple of times a week.

Mr. Tascona: You've never discussed this issue about Bensimon Byrne's contract?

Mr. Brown: The issue, as you describe it, of Bensimon Byrne has certainly come up within the context of political questions, and I much prefer to leave the politics to politicians. In this particular case—

Mr. Tascona: I'm just talking hard money here.

Mr. Brown: I understand that, but the nature of the contract is, in a substantial way, not a particularly large contract in terms of many of the others that we deal with. So I am quite confident that the chief marketing officer and his staff have the capability to contract and to ensure that the appropriate compensation is being paid.

Mr. Tascona: That's reassuring.

Now, the OLG has previously stated that Bensimon Byrne was not involved in the rebranding, yet the work described in the terms of the contract between the OLG and Bensimon includes "all planning, consulting, conceptual, creative, productive services, strategic development and administrative services contemplated hereunder with respect to the corporation's products." A list of services includes "brand extensions" and "brand improvements." Why would the OLG double their contract to more than \$2.8 million over three years and then contract with another firm to undertake the work described in the existing contract with Bensimon Byrne?

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Mr. Brown: I believe the references in the contract that you're referring to would have been for existing product lines. So, for example, we have a scratch-off ticket game called Cash for Life. We also have Cash for Life bonus. That would be a brand extension. This was not in reference to any corporate branding initiative.

Mr. Tascona: Okay.

The Inside Queen's Park publication says, "Don't Blame Bensimon Byrne." It says,

"The Libs' 2003 campaign ad agency has reaped a whirl of negative publicity for their \$219K contract to rejig Ontario's trillium logo ('Of Trivia and Trilliums,' July 5). But the agency is unfairly getting stick for the loopy and increasingly unpopular symbol, whacked this week by the Globe editorial board, for industry sources tell IQP," which is Inside Queen's Park, "that the provincial government picked the impugned logo after brushing aside Bensimon Byrne's recommendation to adopt a different logo design."

Is that true or false?

Mr. Brown: Mr. Tascona, I, as you alluded to earlier, have no trouble filling my day running OLG.

Mr. Tascona: Did the province make the decision, or did you?

Mr. Brown: With regard to the trillium logo?

Mr. Tascona: The logo, yes.

Mr. Brown: I have no idea.

The Chair: I'll interrupt you a second. The trillium logo is not part of the lottery and gaming corporation's—if you're asking about the OLG logo, that's fine, but the trillium logo is not part of the mandate of this agency.

Mr. Tascona: Okay. I think my friend here has some questions with respect to Mr. Warren.

Ms. Laurie Scott (Haliburton–Victoria–Brock): How much time is left?

The Chair: You have just two minutes left in this round of questions.

Ms. Scott: Okay. I'll save that for the second round of questioning.

When you said that a certain amount goes to Ontario hospitals, can you tell us the breakdown? You said Ontario hospitals when you said other—

Mr. Gough: We generate something less than—say \$1.9 billion of cash that's turned over to the province from our gross revenues, and \$100 million goes to the

Trillium Foundation this year. Two per cent of our slot machine revenue at the racetracks and charitable casinos will go to responsible gaming initiatives. The balance is paid into the consolidated revenue fund, where, in accordance with the statutory allocation of those funds, the money is earmarked for spending on hospitals. So it would be the balance. If one subtracts \$136 million from \$1.9 billion, the result would be hospital operations and other health care programs.

Ms. Scott: Okay. Is that it?

The Chair: You have one more question.

Ms. Scott: You said \$300 million goes to the agricultural community?

Mr. Gough: No. The arrangement with the racetracks and horse owners has 20% of the slot revenue being split equally, 10% apiece, to the 17 track owners and operators and to the owners of racehorses. The agricultural community is a significant beneficiary of that because of the work they do and the flow-through to the community of the operation of the industry.

Ms. Scott: Okay. Thank you for that clarification. I'll ask some questions later.

The Chair: Great. Thanks. You have a couple of more rotations to pursue that option if you so choose.

Monsieur Bisson, you have 15 minutes, sir.

Mr. Bisson: Thank you very much. Oh, where to start? There's so much.

Let's start with some numbers here. In regards to overall revenue, mostly the casinos have been dropping fairly substantially over the years. I'm just wondering: When I looked at your projections, I thought it was kind of interesting, because it was showing that the four-year plan projection for revenues would go from \$1.9 billion this year, then substantially would drop to \$1.6 billion, \$1.3 billion, \$1.4 billion. But then you show it back up at \$1.9 billion at the end. I'm just wondering how you get to that. If you see a drop where you're saying it's going to be \$1.4 billion in revenue by the end of 2008, how do you make up \$500 million in one year? I'm curious.

Mr. Brown: There are two principal locations that play into those commercial casino numbers or destination resort casinos: Niagara Falls and Windsor. In the case of Windsor, we are making a significant investment into the amenities in that property. We believe that when they come online we will be able to attract a different audience, a broader audience, with the amenities that are being introduced, including additional hotel rooms, a 5,000-seat entertainment centre, 100,000 square feet of convention and meeting space. We'll be able to return Casino Windsor back to a position in the market that it previously occupied.

During the next couple of years, or the next 18 months, we're also under construction on that property, which has a detrimental effect and makes the swing magnified that much more.

Mr. Bisson: So that \$500 million in additional revenue, you're saying, would come from Windsor?

Mr. Brown: No. I should have expanded on that. The other property, as I mentioned, is Niagara Falls, and we

believe that with the changes we are making in that property in terms of management, marketing and operations, we'll see a continuing improvement in that business as well. In both cases, of course, we're also looking at the impact of border issues, the change in the American currency and the impact of the smoke-free Ontario legislation.

Mr. Bisson: That was where I wanted to go with the second part. Can you elaborate on that as to what the trends are from both Niagara and Windsor as far as clients coming over the border from the States? What are the trends showing?

Mr. Brown: Over the last couple of years, we've seen a drop-off in our percentage in the Niagara properties. It used to be around 60%, 65%, and we're probably closer to 50% today. In the case of Windsor, 80% of our business has historically been American. That's still the case; we're just not getting the numbers that we were previously getting.

Mr. Bisson: The other thing that surprises me when I look at the numbers—and I noticed this last year in whatever estimates I was looking at—is the amount of revenue that we actually get from the charity casinos. How many more slots overall do we have in charity casinos compared to the three main casinos? I was just taking a look at that, and it was almost \$2 billion in revenue from the charity casinos versus \$1.1 billion in the main casinos.

Mr. Brown: That \$2 billion would also include the racetrack operations.

Mr. Bisson: That's right.

Mr. Brown: We have approximately 7,000 to 8,000 slots in our large casinos, and we probably have about another 10,000 to 11,000 in the racetrack slot operations and the charity casinos—not so many in the charity casinos; they tend to run about 400, 425 each.

Mr. Bisson: So it's a combination of there being more slots overall in the charity casinos and racetracks compared to the regular casinos, but also there are more patrons, by the looks of it, right?

Mr. Brown: There are more locations, so we have penetration in terms of smaller, local regional markets with the racetracks and with the charity casinos.

Mr. Bisson: What's the payback on slot machines? For every dollar put in, how much goes back in winnings? Is it a pre-set amount?

Mr. Brown: By regulation, we have to return a minimum of 85%. In practical terms, we average about 92%, and that percentage changes with the type of game and whether or not it's a progressive denomination. It can actually go as high as 99% on some machines.

Mr. Bisson: So you're saying that for every dollar put in a slot machine, 85 cents goes back as winnings?

Mr. Brown: That's the statutory minimum, but in fact, it's 92%.

Mr. Bisson: God, I've never seen that at any time I've gone to a casino. It's like a 92% loss for me. That's why I don't go. I always thought it was a lot lower than that. So

you're saying it's 85%. Is it the same for a charity casino as it is for—

Mr. Brown: Yes. We're averaging about 92% across the province.

Mr. Bisson: The amazing part is that whatever winnings they get, they put back in anyway, right?

Mr. Brown: We certainly hope that we're providing a great entertainment experience, sir, and the more the people like to play the machines and the longer they're there returning some of those winnings, that's great.

Mr. Bisson: I guess what I'm asking is, to what extent do casinos try to encourage the patron to—you know, you put in 20 bucks and you win 60. What kind of gimmicks do you have in order to attract the person to put the money back in? It seems to me that's what everybody does.

Mr. Brown: I wouldn't like to think that we're into gimmicks.

Mr. Bisson: Okay, what kinds of strategies do you have?

Mr. Brown: What we really are interested in doing is providing what I said a moment ago, which is a great entertainment experience and good value. Most people will come in and they will play for a few hours at the slot machines or table games. Most people will come in with a fixed amount in mind that they intend to spend. In many cases, that amount is probably no more than it costs you to go out to the movies these days, a babysitter and dinner, and it's a heck of a lot less than trying to get in to see the Leafs; I can tell you that.

1030

Mr. Bisson: I guess the part that concerns me is that, you know, I go in like everybody else to the casino a couple of times a year. My wife goes to the slot machines, I go to the tables, we play our \$100 and then we leave. What always strikes me—I get a kick out of watching people play slot machines, because you get some people who'll put a lot of money in those machines. I guess the question I have is, do you monitor problem gamblers to a certain degree when it comes to people who are prepared to put their life savings into these things? Because you see some people with just ridiculous amounts of money that they're putting into these, especially on the high-rolling machines—my God.

Mr. Brown: Responsible gambling, Mr. Bisson, is one of our fundamental corporate priorities. This is something that is real and substantial to the corporation and it is very, very important to the chairman and I. We developed a code of conduct a year ago and it sets out what we expect of ourselves and what the public can expect of us. It speaks to corporate commitment, it speaks to resourcing and information and it speaks to a gaming environment which supports responsible gambling. So we have done things in the last year and a half, like enter into MOUs with some of the best-known resource agencies out there, including CAMH and the problem gambling council.

Mr. Bisson: I'm aware of that, but my question is, if you see somebody on the floor who has got a problem, do you guys watch for that or do you wait until it's gone?

Mr. Brown: I'm happy to report that we have now concluded a training program for all 8,000 of our employees that was developed in concert with CAMH. There are different levels of programming and different levels of training, depending on what you do at a gaming site. By the way, this training also extended to all of the people who aren't at gaming sites. Our entire corporate force has been given some level of training.

Mr. Bisson: Including the charity casinos?

Mr. Brown: Yes.

Mr. Bisson: Because it's a problem and we all see from time to time some pretty tragic stories as far as problem gamblers. We know that as a public corporation, you guys have a lot of programs in place in order to assist the problem gambler, but the question is—and I guess you've answered it—how do we try to identify or try to pull them off if they're getting a little bit over the end?

On the gaming, I'm wondering, when you take a look at it on the slots side, does most of that revenue come from the lower-denomination machines or is it the larger, sort of high-rolling machines? Is it the quarter or 50-cent machines where most of that revenue comes from?

Mr. Brown: It's a good question and it's very difficult to answer because a lot of machines now are what are referred to as multi-line, so you can even have machines which are nickel-based, but depending on how you choose to play it, you could actually be playing \$2, \$3 or more. So the actual denomination of the machine isn't necessarily a good indicator of what's happening on the floor. What you will find is that most people still prefer to play dollar machines and lower.

Mr. Bisson: So that's where most of the money is generated, in the lower denomination.

Mr. Brown: Right.

Mr. Bisson: I noticed in the research paper there's a comment here in regard to the bingo industry, and it says, "The corporation is engaged with bingo industry partners in an effort to revitalize the industry." What exactly is that all about?

Mr. Brown: We've launched four pilot locations to bring in electronic bingo. These are into facilities which are owned by private sector bingo hall operators that charities rotate through in the same way that they do through traditional bingo halls. We partner with the local municipal government, which continues to assess charities and the use of proceeds if they're put into the rotation in one of these facilities. It's a commercial arrangement that we have with the hall operator, the charity association and the municipality and it brings a different style, different games, a higher service level and, frankly, in many cases a superior entertainment experience to what has been traditional bingo.

Mr. Bisson: You do the licensing for the charities and stuff in local communities.

Mr. Brown: No, we do not.

Mr. Bisson: It's not under you?

Mr. Brown: No.

Mr. Bisson: It used to be.

Mr. Brown: It's the Alcohol and Gaming Commission.

Mr. Bisson: That's right. It's because both of you are in Sault Ste. Marie, and I deal with the Sault Ste. Marie office. Sorry about that.

Mr. Brown: And that, Mr. Bisson, is why we're pushing ahead on our branding program. We want to be distinguished from the regulator.

Mr. Bisson: Yes, yes, I hear you. You notice I didn't ask any questions there. I'm okay with that.

Just a general comment, and I think all of us have the same problem: Community organizations—the Knights of Columbus, the Italian club or whoever it might be—are having one heck of a time trying to fundraise to keep their operations going because of the very constricted rules when it comes to raising money through various fundraising schemes such as bingo and stuff. It's something that at one point we need to take a look at, because it is a huge problem.

How much time, Mr. Chair?

The Chair: You still have three minutes.

Mr. Bisson: I thought Monique was telling me I was out of time.

Ms. Monique M. Smith (Nipissing): No, you were off topic.

Mr. Bisson: No, I'm just using the opportunity to tell the government—

Ms. Smith: To give a little speech. We know, Gilles. We're used to it.

Mr. Bisson: Not a speech, but to tell the government that there's a little bit of work that we can be doing there to help our organizations.

Why is it that you don't allow the Keno games in casinos in Ontario? I've wondered. You see that on the Quebec side, you see it on the American side; you don't see it here. Is there a reason?

Mr. Brown: Actually, it's a very good question, and it's more historical than anything else. Typically, a Keno lounge takes space, and it is not necessarily the most profitable way to use space. In the early days of the casino initiative, when space was at a premium, it was utilized for table games and slot machines. Frankly, as we look to expand the amenities at many of these locations, we would be looking at introducing something like a Keno game.

Mr. Bisson: I'm just kind of curious, because it has been raised a couple of times. On the Ottawa casino, a couple of people have raised that with me, and I've never understood why we don't do that.

Just back to the comments you made around the bingo industry, what you're trying to do, if I understand correctly, is to run electronic bingo games in the casinos?

Mr. Brown: No, these are in traditional bingo halls. The four pilot projects that we have in operation are actually conversions of the more traditional style of licensed charity gaming. The point that I should have made is that the reason we're doing this is not because we view it as a huge money-maker—in fact, it's basically cost-recoverable for us—but what we have is a unique monopoly on gaming technology under the Criminal Code. The Criminal Code prevents charities from being

licensed to run schemes on or through a computer, video device or slot machine. So as the public's appetite for different kinds of games and more electronic games continues to grow, charities are actually forbidden from getting into that type of business under the Criminal Code. Since we have that particular prerogative, we believe that it was important to bring that to the charity gaming sector, which has been, frankly, in trouble.

The Chair: Last question.

Mr. Bisson: I'll probably get back to this a little bit later, but the whole issue of the Internet stuff that we're seeing now: Where are you at in regards to particular policies around that? That's becoming a huge industry.

Mr. Brown: In the case of Internet gaming, the government announced in January 2005 that they would not be engaged in Internet gaming. We certainly respect and understand that decision. We have concerns about Internet gaming that's taking place where the public is, frankly, at risk and they don't know it.

Mr. Bisson: Is there any work that you've done—

The Chair: Gilles, sorry. We can come back to that. Thanks very much.

The government side.

Mr. Ernie Parsons (Prince Edward-Hastings): Thank you for joining us today. I will confess I hadn't realized that the percentage of money from slot machines returned was by law 85%. I would have guessed much, much lower.

Mr. Bisson: You and I are playing the same machines, Ernie.

Mr. Parsons: I don't gamble, but actually thinking about it, 85% return is probably better chances than of my getting re-elected.

Mr. John Milloy (Kitchener Centre): Withdraw that remark.

Mr. Tascona: Say it ain't so, Ernie.

Mr. Parsons: Time will tell.

You allocate 2% of your revenue to responsible gambling. How does that compare with other jurisdictions in North America and in Canada?

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Mr. Brown: The 2% translates to something in the order of \$34 million to \$36 million a year, which goes into the consolidated revenue fund, and from there out to the Ministry of Health and Long-Term Care. They put together a program which includes treatment centres across the province, funding of the Ontario Problem Gambling Research Centre in Guelph, a gambling hotline, a helpline, across the province. That \$34 million or \$36 million a year represents probably one of the best-funded programs in North America. Quebec certainly does a great deal as well, and I think over the last five years Ontario has probably spent twice what that province has spent. It's important.

On top of that, the corporation spends about another \$7 million a year on our own responsible gambling programs, whether it's awareness campaigns, staff training, staff resources to continue to be in touch with our partners in the field. It is, as I said earlier, a very real and

very significant priority for us. We believe in it quite strongly.

Mr. Parsons: Now, I suspect problem gambling is like any other addiction, where certain individuals realize themselves that they have the problem and approach someone for help. But from your viewpoint, how do you recognize or deal with or help or offer advice to people you believe are problem gamblers but who are not at that stage yet?

Mr. Brown: As was mentioned earlier, we've trained over 8,000 of our employees. All of them have now received some type of training. If you're an employee at a gaming site and you're in a management position, you've taken a more intensive training program to assist those people who might appear to be in distress. We make sure that information is available at our sites about where people can get help and how to get help, and we're also piloting, at the moment, in both Windsor and Niagara Falls, consumer information centres. These are facilities that are staffed by the Responsible Gambling Council, and we can direct people right into those centres on the property, where they will get specialized advice and support and be given guidance on where they can go for help. This isn't just for the players or the customers themselves, but also for their family members and the general public.

The Chair: Other questions? There's still lots of time.

Ms. Smith: Thank you, Mr. Gough and Mr. Brown. Mr. Gough, it's nice to see you again, for the third time. I just want to continue on that line of questioning on problem gaming and what we're doing about responsible gaming.

You mentioned briefly in your comments earlier about partnerships with the Centre for Addiction and Mental Health and other entities that have expertise in the area. You were kind of directed into another line of questioning and weren't able to, I think, give a fulsome answer on that. So if you could just outline for us some of those partnerships and how they play into your responsible gaming strategy.

Mr. Brown: We have signed formal MOUs with the Centre for Addiction and Mental Health, the Ontario Problem Gambling Research Centre, the Responsible Gambling Council and the Ontario gambling hotline, and in each case, those specialized organizations bring to the table an understanding of current research, current practices that are out there; frankly, beyond the boundaries of North America, in some cases, they're monitoring what's going on. They bring an ability and a skill to the table that we can use in very practical terms when it comes to things like training programs. So CAMH came in and designed our training program, worked very closely with our trainers to make sure that we were going to be delivering this in the appropriate way, and it was a great opportunity for us to lever that kind of skill and expertise, that provided us with a much better product than if we had tried to develop it in-house.

Similarly, with the Ontario Problem Gambling Research Centre—you'll be hearing from Rob Simpson

later today, and certainly Rob can speak to the relationship with our organization, but it facilitates research. We make great efforts to try to assist that organization and their researchers in activities that they're undertaking, and with a view to, long-term, finding the best practical applications of research and best practices that we can apply.

Ms. Smith: Great. You also referred briefly to the responsible gaming code of conduct that you've developed through the agency. Perhaps you could just elaborate a bit on what the code of conduct is and how it's implemented throughout your organization.

Mr. Brown: This particular document is made available right across the corporation, and it is far more than just a symbol. It is a very real statement of what this corporation believes when it comes to this particular issue. It speaks of corporate commitment and the resources that we'll dedicate to this. It speaks to information and education, the programs that we will implement and our commitment. It speaks to a responsible gaming environment, which is where things like the pilot programs in Windsor and Niagara Falls come into play. It speaks to ensuring that minors are not accessing our gaming sites. We have one of the most rigorous and diligent regulatory regimes and corporate commitments to keeping kids from playing our products.

We go so far as to do things which most people probably haven't even noticed. You cannot walk into one of our casinos and actually see any gaming activity unless you're over 19. So if you were to visit our new Fallsview Casino property in Niagara Falls, there is a retail arcade, there are shops and restaurants, but unlike Las Vegas, for example, no one walking down that retail arcade can ever see any gaming activity. We don't have people walking through a casino floor to get to a hotel. It's that type of commitment to the small things, as well as the big things, that we think makes a difference.

The Chair: Just to give you an update, we still have seven minutes left in this segment.

Mrs. Carol Mitchell (Huron-Bruce): Thank you, gentlemen, for coming forward today and talking about something that has directly affected the community that I live in and have the privilege to represent.

What I would like to talk about is the economic impact you have had on a number of communities throughout Ontario. I want to make direct reference to the impact on the rural communities as well, how the partnership that has been formed with the ag community has certainly turned around that sector for the horse racing industry. It has provided a tremendous boost.

The question I would like answered is, how much have host communities received dollar-wise, and how many jobs have been created indirectly and directly? But I want to recognize all the good work that has gone on certainly with the ag community. It has turned around the horse racing industry and directly in the host communities with the slots as well.

Mr. Brown: We are proud to be significant employers in many of our host communities. We are the number one

employer in three of the communities in which we have facilities. In another five facilities we rank in the top five employers in that community. If you look at 16 host communities, we're in the top 20 employers in every one of those communities. We have over 8,000 employees who are OLG members, and then there are about another 13,000 who are involved with the commercial casino operations, so over 20,000 people involved in direct gaming operations.

Then, on top of that, of course, we have some 10,000 retail locations generating another \$165 million in commissions. I think the last research I saw indicated that for the convenience store channel, lottery ticket commissions were probably the second source of income for those corner stores. We are a significant economic factor to small business right across the province, so whether it's employment or our retail commissions, our purchasing power, the \$70 million a year that goes into our host communities from the 5% slot commissions on racetrack operations and charity casinos.

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You mentioned our contribution to the racing and agricultural sector. Somewhere close to \$1 billion is being paid into racetracks and into purse structures since this program was initiated, so almost \$2 billion has gone into the racing industry, a lot of that finding its way back into grain, new truck sales—all of the items that go into supporting the maintenance of a horse, training horses, for the racing community.

I think it's safe to say that it would be difficult to find somebody in this province these days who is not in some way, shape or form touched by our operations. Either they earn an income from it, their neighbour does or their family member does, or they're the beneficiary of it.

We are a significant economic force, and if we were a private sector enterprise, we would probably rank around number 50 in size in Canada, and this from an operation which is legally confined only to the province of Ontario.

Mrs. Mitchell: Certainly a number of the host communities put the dollars they do receive into charity work as well.

The other question I have is on Quest for Gold. How did the program start, and how much money has been raised?

Before you answer the question, I just want to share a story from my riding. We have had four successful candidates for Quest for Gold, and of those four gentlemen, three were able to get off to the worlds. I can tell you that it has made a tremendous difference in their lives.

A number of us have successful candidates within our ridings, so if you could give us an update of the Quest for Gold: How did it start, and how much money has been raised to date? It's a wonderful program.

Mr. Brown: We were very pleased to be asked by government to develop a lottery product to support amateur sport in this province. The first edition of the ticket generated almost \$3 million in net profits, which was directed to local athletes and coaching programs.

We have our second edition on sale now, and I would urge all of you to find your local corner store. It's a \$20 buy and it's a great investment. You'll have a lot of fun playing it.

Mrs. Mitchell: Quest for Gold, for the athletes.

The Chair: There's just one minute left, if you have any final questions in this round.

Mrs. Mitchell: Yes. I don't think that you finished.

Mr. Brown: The second edition of the product, as I say, was just recently launched. We will probably have an opportunity to do a third edition later this year, and we're hopeful that we can generate significantly more than we were able to provide to the government in the last fiscal year.

Mr. Gough: I should add that 850 Ontario athletes have already benefited from the program—a fairly significant number.

Mrs. Mitchell: A very significant number.

Do I have time for another question?

The Chair: If you have a quick question, Mrs. Mitchell.

Mrs. Mitchell: Okay. Are there any other similar programs in Canada that support amateur sports like this program?

Mr. Brown: There is a program in British Columbia, which isn't surprising, given that they're going to be hosting the Vancouver games. But I think the program we have launched is unique in its application. We're very proud to be associated with it.

Mrs. Mitchell: It's certainly been a very strong uptake as well.

Mr. Brown: Yes.

The Chair: Thank you very much. We'll move to the official opposition's 15-minute segment.

Ms. Scott: Thank you for appearing before us here today, if I didn't say that earlier.

I wanted to ask some questions about Jim Warren. He was previously Premier McGuinty's executive director of communication. He joined the OLGC in January 2006, in the newly created position of vice-president of strategic relationships. Under the provincial conflict-of-interest rules, he cannot deal with anyone in the Premier's office for one year after leaving but he is free to lobby ministers and their staff.

Can you describe the functions and duties of the vice-president of strategic relationships?

Mr. Brown: Mr. Warren assists me on a number of fronts. A number of them are also confidential business initiatives. He has a considerable background at municipal government, provincial government and in the business community, having worked with Magna. It is a great opportunity for me to have someone with Jim's capabilities to, frankly, give me a hand on some very difficult and thorny issues that emerge.

Ms. Scott: This was a new position that was created. Was it created just for him? It was newly created, is that correct?

Mr. Brown: It was created; it was not created for him. The fact was that the complexity of running our business

has grown significantly over the last number of years and I felt that it was important that I get some assistance so that I could focus on the strategic issues and have some of the day-to-day concerns and problems that I was being confronted with dealt with by Mr. Warren. As I said, he's been a great addition.

Ms. Scott: Is it a term contract that he is under?

Mr. Brown: No. He's an employee.

Ms. Scott: So he's a full-time employee with no set term?

Mr. Brown: Correct.

Ms. Scott: Okay. I'm assuming this position is among the 129 jobs that are earning over \$100,000 a year, which is up from, I guess, 86 jobs in 2003 that were earning over \$100,000 a year. How much does the position that he holds pay?

Mr. Brown: Typically, what we don't do, Ms. Scott, is talk about individual employees and their compensation. The annual compensation figures that go over \$100,000 will come out next spring.

Mr. Tascona: Public corporations.

Ms. Scott: Yes, but public corporations—I mean, that's how we find out how many are making over \$100,000 a year. You're just saying that's not available at this present time?

The Chair: The 2005 are in the binders and the 2006 won't come out until next year.

Ms. Scott: Okay. So he won't be covered in that. All right.

What's the level of involvement and interaction that the vice-president of strategic development has with the advertising branch of the OLGC? Does the vice-president play a role in approving or recommending either advertising firms or contracts or suggesting candidates for subcontracts under existing ad contracts?

Mr. Brown: The responsibility for advertising, marketing, promotion and public relations rests with the chief marketing officer and the heads of the business units, lottery and gaming. Mr. Warren's role does not have any involvement with those agencies.

Ms. Scott: What kind of interaction does the vice-president of strategic relationships have with the Premier and his staff? Do you anticipate that level of interaction to change after this January, which would be a year since he was hired?

Mr. Brown: Mr. Warren, as I said, helps me on a number of projects. His responsibility is not to lobby the Premier's office or to liaise with the Premier's office. Certainly, he brings, as I said earlier, a wealth of knowledge of how things are done, both at the municipal level and the provincial level and within the broader corporate community.

Ms. Scott: So what kind of interaction does the vice-president of strategic relations have with government ministers and the ministers' office staff, then?

Mr. Brown: I have asked Mr. Warren on occasion to deal with the minister's office on some matters. Again, we have a director of public affairs and a manager of

government relations, which are part of the marketing officer's portfolio.

Ms. Scott: So there's some contact with the minister's office, but there's never been contact with the Premier or his staff?

Mr. Brown: I'm not aware that he is able, because of the restrictions, to unilaterally reach out to them.

Ms. Scott: Okay. Mr. Tascona, my colleague, has some more questions for you. Thank you very much.

The Chair: About 10 minutes left on the clock.

Mr. Tascona: Was the VP of strategic development involved in the rebranding of the OLGC?

Mr. Brown: The rebranding initiative was led by the chief marketing officer, with support from the executive group and with the endorsement of the executive group. A great deal of the work was done prior to Mr. Warren joining us. So the answer is, Mr. Warren was not leading or materially involved in this initiative.

Mr. Tascona: But he was involved in the initiative, just not materially.

Mr. Brown: Mr. Warren is a member of the executive committee. So for me to sit here and say that he has not had any participation would be misleading, in the same way that our VP of human resources has had participation, our chief financial officer.

Mr. Tascona: So he was involved. What was his involvement?

Mr. Brown: When we had presentations to the executive committee, all of the executive committee members would have an opportunity to comment, to offer advice, suggestions, but this was an internal discussion of the executive group. It wasn't about directing the chief marketing officer to do something.

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Mr. Tascona: I want to just go into a couple of other areas. Casino Windsor had layoffs recently this summer. From what I've heard, they're going to be involved in sports betting. Is that correct?

Mr. Brown: We currently have about 10,000 retail locations that are involved in sports betting. It's called Pro-Line. We are putting a new restaurant with a sports theme into Casino Windsor that will have Pro-Line products available. It's the same thing that we introduced to Casino Niagara about 12 months ago.

Mr. Tascona: And that's not at Casino Rama?

Mr. Brown: It's not yet.

Mr. Tascona: The property that you're building, the new convention centre that is scheduled to open in 2009, was that property owned by the casino at the time the decision was made to go ahead with that type of project?

Mr. Brown: Yes, it was.

Mr. Tascona: So it was just an expansion of the existing property?

Mr. Brown: Yes.

Mr. Tascona: Do they have any more property that they haven't expanded on in downtown Windsor?

Mr. Brown: No, we don't.

Mr. Tascona: Do you have any concern with respect to the sight line of that building, which instead of looking

at the Detroit River is going to be looking into quite an old seniors' residence building about 20 to 30 storeys high?

Mr. Brown: The way that the building is being angled, most of the rooms will in fact end up with a view of the Detroit River and the skyline.

Mr. Tascona: What about the convention centre?

Mr. Brown: If you're familiar with the layout of the site, the hotel tower would be closest to the Detroit River and then, as you move away from the river, that's where you'll find the entertainment centre and the convention space.

Mr. Tascona: I was reading in the paper the other day, the Barrie Examiner, with respect to Georgian Downs. There was a spokesperson for the OLG speaking about how they're still looking at different gambling opportunities within the province. Are there plans at this point in time to expand the gambling facilities at Georgian Downs?

Mr. Brown: We're looking at all of our facilities. When the government said to us in January 2005 that there would be no new sites, they also encouraged us to look at our existing locations to see what could be done to further enhance and develop those. In the case of Georgian Downs, the track owner has purchased some additional land, or at least some conditions on a purchase have been cleared. The landowner is looking at a variety of non-gaming amenities to improve the track as a destination, in the same way, I assume—and I don't know—that Woodbine Entertainment is looking at a major development at their property.

Mr. Tascona: There was a spokesperson from Casino Rama—I believe it was Sherry Lawson—who was commenting that Casino Rama was looking at this closely. I'm sure it's from a competition factor. It strikes me, in terms of the decision-making, that's something that you would—obviously there's some competition between the two sites. What are your thoughts on that when you look at the two sites being close together? Obviously there are issues in terms of ownership and revenue stream with Casino Rama. How do you weigh those two competing interests?

Mr. Brown: We're very conscious of Casino Rama's unique dedication of profits. In fact, it's one of the interesting attributes of the current negotiations that are going on between the government and First Nations, which would see a different kind of revenue-sharing model as compared to the one that exists right now. We've always had concerns that by having the First Nations' revenues dependent on a single location, they were subject to any one of a variety of acts of God or vagaries that could occur at one given location. The proposed model, as you probably are aware, would provide for First Nations to replace that dedication of profits from Casino Rama with a percentage of total OLG sales. The beauty of that, from our point of view, is that it does simplify the kinds of cannibalization questions that you've raised, which are very difficult at the moment for us to manage. We're sensitive to where Casino Rama's

profits go, but we're also interested in optimizing the return from all of our sites.

Mr. Tascona: The Windsor location: You have got a major challenge down there with respect to no smoking and the gambling that's going on at the sites on the Detroit side, because they're expanding down there quite significantly. You also have the border issues in terms of access to the country and the tunnel versus the bridge there, and now the Canadian dollar, not at par but very close. How are you going to deal with that Windsor casino in terms of making it survive? I think they also have issues with their union, because they've had layoffs and they also had a strike last time. What are you going to do to ensure that that operation can make it? You've got a real battle on your hands.

Mr. Brown: The border communities are certainly challenged, not just Windsor but Niagara. We have an American Indian casino across the river in Niagara Falls, New York, and there is expansion of their properties in New York state.

In Windsor, we believe that with the amenities we're adding, we will be able to attract an expanded target audience. With passport concerns, we think it's important that we focus not just on people who might come over for a day trip or an afternoon, but people who will be coming for potential meetings and conventions, people who will have passports, people who will be willing to cross the border. That is one of the elements.

The other is the 5,000-seat entertainment facility. I can tell you that based on our considerable experience now with Casino Rama, with a first-class entertainment centre and first-class entertainment, you can pull people in. We have established that with Rama. I think most people who have been there would say it's a great facility. I think most people who have been there would also say that it's not terribly convenient. But the fact is that the amenities can bring people in. What we're bringing to Windsor will still distinguish us even from the new facilities that are being constructed in Detroit. But I don't want to underestimate the challenges that we face in all of our border communities.

Mr. Tascona: But those border communities are not—Windsor's unionized; Casino Rama's not unionized. It's a big factor in their success.

Mr. Brown: Local 444 of the CAW represents the casino workers, and the president of the union, Ken Lewenza, was certainly very encouraging of the investment that was being made at the facility. The union understands that in order for us to continue to be competitive, we need investment and we need their support.

Mr. Tascona: What's the term of your most recent collective agreement?

Mr. Brown: We signed a four-year agreement at the last contract negotiations, which was the spring of 2004.

The Chair: Thank you very much. Mr. Bisson, 15 minutes for you, sir.

Mr. Bisson: Just to pick up where we had left off, in regard to electronic gaming, as far as Texas hold 'em: That is having one huge impact, from what I can see, on the Internet. I'm just wondering what concerns you have

as a corporation and what you can tell us you think we should be doing in order to try to deal with that particular issue.

Mr. Brown: Part of my government career was spent in what was then the Ministry of Consumer and Commercial Relations, in consumer protection roles and regulatory roles. On the consumer protection front, I'm concerned that the public isn't necessarily aware of who is behind the site they're playing on, the risks that they run in terms of providing credit card information, whether or not the games are even operated with integrity, whether or not they will ever see winnings. What disturbs me in my current role is that as the public has no easy ability to identify the legitimacy of gaming operations, that will in fact spill over into how they perceive what we do, as I said earlier, particularly given that they don't necessarily understand who operates gaming in this province.

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There are other concerns with Internet gaming that have been expressed. An organization based out of Paris that does money laundering studies has expressed concern in the past about Internet gaming sites being used for that purpose. There are a host of public policy issues and criminal enforcement issues that I would hope that Ottawa and the enforcement community will take up with enthusiasm, frankly.

Mr. Bisson: Is there any jurisdiction that's actually done anything in this area? I haven't seen anything.

Mr. Brown: There's been a variety of approaches to this. It's been interesting to watch. There is the school of thought that says, "We can't regulate the Internet. We can't prohibit the Internet, so we're going to license and regulate." We see that in the UK. There is another school of thought that says, "This is just fundamentally an activity that we don't want to support as government." What we see in the United States is a concerted effort on the part of legislators there to bring in bills that will make this clearly illegal.

Recently, in the last few weeks, there was an arrest made of a senior executive of an Internet company. He just happened to be flying through an American city—Dallas, I think it was—and he was pulled off the plane and arrested. That certainly had an intimidating effect on the industry, which started cancelling conferences to be scheduled in the US and things like that.

So we see a complete range of activity from license and regulate, tax, to outright prohibition, try and kill it. But I think the beginning point that we all need to be aware of is the need for information. The public needs to have the knowledge of what they're doing and the fact that they don't know who they're doing it with.

Mr. Bisson: What impact is it having on the revenues of the Ontario Lottery Corp., or the Ontario Lottery and Gaming—whatever they're called now?

Mr. Brown: It's difficult to put a number to it. Part of the difficulty is that—

Mr. Bisson: I guess I should have been more clear in my question. Is the dip that you're seeing in revenue partially caused by that, as far as tables and stuff?

Mr. Brown: I suspect that we have seen a minor hit at this point. The best estimates are that, globally, Internet gaming would represent about 3% to 4% of traditional bricks-and-mortar-type gaming, legitimate legalized gaming. So if we extrapolated that, which is a dangerous thing for me to do, it wouldn't represent at this point a significant economic impact, but it does represent a significant reputational risk.

Mr. Bisson: On the question of Texas Hold 'em, I notice that you run that in a lot of casinos. Is that very popular in casinos?

Mr. Brown: Poker is very popular. It has been pushed into the mainstream with television programs. We've seen professional poker players become celebrities, just as sports figures and World Wrestling Entertainment figures are. It has been fascinating to watch the development.

Mr. Bisson: But is it becoming a bigger part of your business? I guess that's what I'm asking.

Mr. Brown: We consider it an amenity. It's not a particularly profitable line of business for us, but it is yet another attraction, and we try to make sure that we offer a full suite of casino games.

Mr. Bisson: Do you do tournaments as well? I think the Manitoba or Saskatchewan lottery people, the casino people, do tournaments. I've seen them on TV.

Mr. Brown: We do. We do them in concert with sponsors, and we do them as well under the auspices—we've just signed an agreement with the World Series of Poker.

Mr. Bisson: When does that take effect, and what are you doing?

Mr. Brown: We'll have a tournament, I believe it's either late this year or early next year, in Fallsview Casino. Typically, what we have done in the past is we've converted our 1,400-seat theatre to a flat floor. Just as you'd see on TV, there are 50 tables or more, and there are rounds of games and it's televised. It has all of the usual kinds of security and surveillance requirements that go with it.

Mr. Bisson: I guess one of the things the gaming industry has to thank is the NHL strike, because it really put poker on the television screen like you've never seen before. It's amazing.

Mr. Brown: Unfortunately, it also cost us a fair amount of money on our PRO-LINE product.

Mr. Bisson: Yes. I'm just saying, it's kind of one for the other.

There's a comment in here in regard to one of the documents we have. It talks about suppliers. It says, "The corporations' facilities and activities were responsible for an estimated \$600 million in the purchase of goods and services, including merchandise and prizes, from almost 5,000 suppliers." I'm not quite sure what you're getting at there. Maybe it's more of a question for Larry.

Mr. Larry Johnston: It's just part of the economic impact.

Mr. Bisson: That's a cost; that's not a revenue, right? If I read that correctly?

Mr. Johnston: It's a cost of the community.

Mr. Bisson: Okay.

How much of your sourcing is done locally, as far as—first of all, let's break it down as far as the casinos themselves. Is most of your sourcing for supplies done locally, or is it done sort of centrally?

Mr. Brown: About \$45 million to \$50 million is done locally. The rest would be done through central purchasing. One of the things that we have been diligent about doing in the last couple of years is actually more strategic sourcing, and that has generated some real savings for us.

I'll give you a very quick example. For example, in the past, property and liability insurance was purchased separately by each of our commercial casinos and the corporation.

Mr. Bisson: Repeat that, please.

Mr. Brown: In the past, property and liability insurance was purchased by individual properties. By combining them into one policy, we actually got better coverage and we save about \$3 million a year. We do the same thing with other types of procurement now, looking to leverage the kinds of buying power that we've got.

Mr. Bisson: Okay. The online games—I'm just taking a look at that. It shows here sales in millions as \$1.5 billion. Online games. It must be "million," right? What's the revenue on online games?

Mr. Brown: That would be about 1.5.

Mr. Bisson: Million?

Mr. Brown: Billion.

Mr. Bisson: Yes, okay. Just the way it was written, I was wondering. So it's not as big a thing as I thought it was. It's one of the minor revenue streams, I take it.

Mr. Brown: Any time we get to talk about billions, it matters to us.

Mr. Bisson: No, but it's million. Am I reading that wrong? Is it million?

Mr. Brown: Billion.

Mr. Bisson: Oh, it's billion. I was reading it wrong. That's why it struck me as kind of odd.

If I go back and take a look at sources of revenue, that's accounted for in all the lottery revenues that show for 2005, right, that's in that?

Mr. Brown: Yes.

Mr. Bisson: So it's about half.

Mr. Brown: About 1.5 is online. The balance would be our scratch-off instant tickets. That would take us up to roughly \$2 billion.

Mr. Bisson: So it's more than half. So online is everything from your pick numbers and the PRO-LINE and all that stuff.

Mr. Brown: Correct.

Mr. Bisson: Wow. I didn't realize it was that much. Okay. So that answers that question.

Okay. That's all I have for right now. That's fine.

The Chair: Thank you, Monsieur Bisson. I'll go to the government members for 15 minutes. Ms. Mitchell.

Mrs. Mitchell: I just wanted to give you the opportunity to expand—there have been a number of questions directed about the Windsor site—on how you will see the

local economy benefit in terms of jobs and tourism with the \$400-million investment that is a significant investment in the Windsor site.

Mr. Brown: I think that the benefits will come from a number of opportunities. Immediately on opening the new facility we'll create probably another 400 jobs, which will be certainly welcome in the community.

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There are about 7,000 person-years of construction jobs associated with this expansion. I also think that the nature of the expansion we're putting in, the meetings and convention space, will provide the community and the local tourist and convention bureau with another selling tool that will be important in bringing in folks whose first interest isn't necessarily gaming. I think that it positions the property and supports the community in some of the joint venture marketing that they would like to do with Detroit, for example. Detroit hosted the Super Bowl last year, and there was a fair amount of cross-border activity and cross-border planning. Having this kind of facility with this kind of convention space can only enhance that kind of cross-border marketing. I believe that as we add entertainment, we'll be able to attract an audience that isn't necessarily, first and foremost, focused on gaming, which can only support the tourism industry in the city of Windsor and the region of Essex.

I'm quite optimistic about what this will do for the community. I think that with the leadership we have at the casino, we can overcome the difficulties that we've been discussing earlier.

Mrs. Mitchell: Clearly, there have been a number of questions that have been specific for that site, but it's not only the Windsor site that has been affected by those factors. That is a significant investment and it will bring about tremendous change on that site as well.

Mr. Brown: It will. You're absolutely right. It's not just Windsor, for example, that is dealing with a smoke-free environment. The majority of our gaming sites were actually smoke-free prior to provincial legislation because of municipal bylaws. In most cases, what we've seen is that following an immediate dip in revenue, it started to come back. That has been the experience in other jurisdictions as well.

Mrs. Mitchell: Thank you.

The Chair: Ms. Smith?

Ms. Smith: I'll just jump a little bit all over the place. One of the areas on responsible gaming that we talked about earlier that I wanted to go back and touch on is the responsible gaming information centres that you're developing. Can you just outline for us what those centres are intended to do, where they're located and how that's moving forward?

Mr. Brown: We have two centres that are operational at the moment. We'll be evaluating the success and the benefits of those operations over the course of the next 12 to 24 months. We have opened facilities in Casino Windsor as well as Niagara Falls. In each case, they are staffed by employees of the Responsible Gambling

Council. We went out through RFP to look for a resourcing group that could provide us with the kind of expertise we needed. It didn't seem appropriate for us to try and staff them with our own employees. Our core competency is about operating gaming enterprises. It's not about counselling and referral services. But we recognize that that expertise exists.

The council was selected, and they now staff the facilities 24 hours a day. There is hard copy information available so that if customers or the general public walk in, they can access information on the types of services that are available in the province. It's also an opportunity for someone who may be in distress to find a facility on-site where they can be directed, guided to, where they will get the appropriate support and the right direction as to where counselling and treatment services could be helpful. For family members or friends wondering what to do, this becomes an easy access point to get information and guidance.

Ms. Smith: That's great.

You talked earlier about how all your employees are trained in some recognition of problem gambling. Does that tie in? Are your employees in those sites trained to recognize the symptoms and try and direct these people to the centres?

Mr. Brown: Our employees are trained about observing signs, about suggesting whether or not somebody wouldn't like to take a break and get some help. The type of training varies. For example, the type of training that I took is different than the type of training that the shift manager or general manager at a site would take. It is intended, as developed with the Centre for Addiction and Mental Health, to provide different levels of management and front-line service staff with the ability to provide either an escalation in service and response or direction to an appropriate outside treatment facility.

Ms. Smith: Is there any plan to broaden your responsible gaming information centres beyond those two sites?

Mr. Brown: If the early indications of the sites are sustained, I suspect that this will be an initiative that we will want to see expanded. We're still looking at staffing levels, we're still gathering information—I say “we” in partnership with the gambling council—on when people come, the type of information they need, what they're looking for, demographics. It's not just about providing what we think is a useful service right now. It's also about gathering data that will help us in terms of whether we should expand, how we should expand and what we need to do to make it a better and more responsive service.

Ms. Smith: You just answered my next question. I was going to ask you how you were evaluating the sites, so that's great.

I want to move on to something else that I found really interesting when I first saw it, and that's the involvement of the OLG with the Amber Alert system. I noticed in my local Demarco's on Algonquin in North Bay—anyone who has visited North Bay has been to Demarco's, I think. It's a local fruit stand and soda bar, just like the old

days, and they sell lottery tickets. On the kiosk, you now have information about Amber Alerts when they've been issued. How did that partnership come about, and what exactly is the OLG's involvement in that?

Mr. Brown: We are absolutely thrilled with our participation in this. Every year I do staff meetings in April and May, and in the most recent round we were able to talk about this. It is without question one of the corporate initiatives that gets the most enthusiastic support from all of our staff and I think the public too. It was an initiative that started in planning stages about two years ago. We approached the OPP, which managed the Amber Alert program. The best thing about this isn't what we can do right now, which is considerable; the best thing about this will be when we convert to a new high-speed digital network and all of those lottery terminal screens that are out there right now will actually be able to put up a picture of the missing child in almost real time. It won't just be a digital text message any longer. We'll be able to put actual pictures into 10,000 retail locations across the province. This will provide phenomenal coverage, instant coverage of the most important part of this, which is the image of the child who has been abducted. As I said, we are really proud of our involvement in this, and we think we can make a heck of a contribution.

Ms. Smith: That's great, and I really do want to congratulate you on that partnership because I think it's really important for the safety of our children, and it's great to see this entity getting involved in that.

I do want to talk to you a little bit about the charity involvement of the OLG and what you're doing through the Trillium Foundation. I think all of the members here have had the opportunity—a great, fun opportunity—to do Trillium announcements. In our riding, I know—well, I could be here the rest of the day listing the organizations in my riding that have benefited from Trillium funding. At our Trillium announcements, we normally have someone from the review committee attend, and they talk about where the funding comes from and how the OLG or gaming is involved in that funding. So maybe you could talk about your partnership with the Trillium Foundation.

Mr. Brown: The current government distribution of profits from OLG has \$100 million going into Trillium. Again, we're very pleased with our association. The Trillium Foundation clearly operates at arm's length from our organization in terms of considering and making grants, but the fact that we can be associated with an organization like that is great for us. Our involvement in charities, though, is not just through raising money which goes to Trillium and out to great causes, as I mentioned earlier. I think our pilot program with electronic bingo, and supporting grassroots organizations that depend on bingo, is a very important and potentially very positive initiative. I know from past experience that there are thousands of local grassroots groups that have come to depend on bingo and break-open tickets, and they have found it increasingly difficult over the last number of

years to compete in a marketplace which is challenging for them. I think that by virtue of our being able to bring to the table technology, management, marketing and investment, we potentially, if our pilot projects work out as well as I hope, can do a lot to support those kinds of grassroots groups that are even below the radar screen of the Trillium Foundation.

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Ms. Smith: I have no doubt that you'll have many people knocking on your door about that program.

The Chair: Still three minutes.

Ms. Smith: We have one more question from Mrs. Mitchell.

Mrs. Mitchell: You've made reference to other marketing initiatives. So what do you have? What is the OLG doing right now? I know that you strive to remain competitive and out at the forefront, but what other marketing initiatives are you working on right now, other than the rebrand?

Mr. Brown: Of course, the branding program is absolutely essential to all of our strategic directions. We have ongoing programs to develop new products, new games, to refine and refresh those lottery tickets. We are in partnership with the Interprovincial Lottery Corp., constantly looking at some of our flagship brands like 6/49 and Super 7. On the direct gaming side, it's a matter of ensuring that our programs, in terms of slot mix, table mix and amenities, are kept current and fresh and competitive.

I should mention this: A comment was made earlier that we don't have competition. We actually have a great deal of competition. We have gaming competition in New York state and Michigan, but we also are in competition with the consumers' discretionary time and entertainment dollar. This isn't just about gaming. This is about all of the choices that consumers have and players have as to where they spend their money and their time. So we actually have a great deal of competition. Ensuring that we deliver a quality gaming and entertainment experience that has value is important to us.

Mrs. Mitchell: Do I still have some time?

The Chair: Absolutely. There's still about two minutes. One minute and 45 seconds.

Mrs. Mitchell: Thank you. One of the other things that I wanted to touch on as well is, how do you ensure that accountability and good governance remain strong as part of your governance structure?

Mr. Gough: We have a board right now of four directors, and by October, about half of them will have completed the director education program at the Rotman School of Business. We routinely, with our governance committee, assess best practices. The chair of the governance committee is Beverly Topping, who is the chief executive officer of the Institute of Corporate Directors, the organization that has done so much to encourage—I was going to say "responsible gaming"—good governance within boards.

Last year, we actually hired an expert to come in and review our governance practices, Jalynn Bennett. She

spent considerable time with us, and there were very few changes we had to make. All of the directors are independent directors; the chair is independent; we have mandates for the board and each of the committees. I think there are differences from the Toronto Stock Exchange rules on governance, because we're a crown agency and don't have shareholders—the government is our proxy shareholder—so a lot of the reporting things that you'd normally expect to see in proxy circulars that come out from a business corporation simply don't apply to us. But I think, and I follow governance fairly carefully and so does the board, we're probably as good in terms of current practice—in terms of what the Dey committee might have recommended, in terms of what the TSE requires—and we've actually looked at the Sarbanes-Oxley Act to see if there was anything in there that might apply to us. We have a code of conduct for the board of directors that's clear in what's expected of them. So I think, and I base it on the review of Jalynn Bennett, that we rank high in terms of our governance standards.

The Chair: If it's a quick question.

Mrs. Mitchell: Okay. It's a very quick one.

I understand that you've also done a business optimization plan. I just wanted to give you the opportunity to quickly respond to that as well.

That's a quick question, right?

Mr. Brown: It's a quick question; the answer might be a little longer.

The business optimization initiative started over a year ago. We assembled a team of internal resources, assisted by outside experts, to look at all parts of our operation, our structure, our processes, with a view to how we could do things better, more effectively.

Coming out of that, we've seen, as I mentioned earlier, much more effective strategic procurements, which have reduced our costs. We had seen suggestions for how we operate some of our gaming sites around scheduling, food and beverage services, a whole range of opportunities for us to do things better and more efficiently, as I say. We would expect that the benefits of that initiative, which we've already started to reap, will continue this year and next year. We're quite pleased with the results, and I think the board has been supportive as well of what we've been able to achieve.

The Chair: Thank you very much. The official opposition will have 15 minutes in the remaining time. Before we recess at noon, we'll go to the third party. So, Ms. Scott, you have 15 minutes.

Ms. Scott: Great. Thank you very much again for the opportunity to ask some questions. As I've looked through more of your books when I've had the opportunity, the four-year plan, under the Niagara casinos, you've projected a significant loss this year and right through to 2009. There are two casinos in the Niagara region.

Mr. Brown: Yes, there are.

Ms. Scott: Are you going to be able to, in the plan, keep both the casinos open?

Mr. Brown: The original context for the casino initiative in Niagara was that what was described as the interim casino opened in December 1996. The request for proposal that was issued shortly after that anticipated that a new facility with full amenities would be constructed, and at that point the interim casino would close. A decision was made to keep both of them open.

We are still, as we do with all of our businesses, evaluating on an ongoing basis what that two-casino reality means for us. It may be that, while there is an economic price to be paid by the corporation, the broader economic benefits of sustaining two facilities in that community make it a reasonable choice. I'm hesitant to say what's going to happen, because we're still researching. We're still feeling the effects of the American dollar, the passport concerns, smoking legislation. So there is a landscape that is very much in play at the moment that makes a definitive answer difficult.

As I said, we're constantly evaluating it. It would be our preference, if we can sustain two, to keep two. We like the idea of having two different brands, two different marketing positionings. We like the idea of supporting the city with almost twin anchors so that we can keep both parts of the city vibrant.

Ms. Scott: How can we turn it around in Niagara? I mean, it's surprising when you go down there, and I've had the opportunity just a couple of times, to see both the casinos work, and they're very different. It's surprising, but it's working. I know there's a loss, but do you have any plans about potential turnaround? I know we've talked a lot about border issues, but in Niagara specifically, do you have any plans?

Mr. Brown: It's a combination of doing little things and doing big things. So we need to ensure that things like customer service, which are already very good, are absolutely outstanding. We need to make sure that whatever the Seneca Nation's properties are doing in New York state, we're doing better on the ground. So customer service, the amenities, the quality of amenities—it sounds perhaps trite, but it's not trite in our business. We need to make sure that the buffet at Fallsview Casino is absolutely fantastic and provides great value.

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We need to make sure that our busing programs and our busing partners are being as aggressive as they can be in bringing people from beyond a three-hour drive in New York state. We've launched a junket program with a series of about 25 or 30 representatives in the US to bring people into Fallsview. We need to be more aggressive at looking not just at the American market but, over the mid term and long term, some of the long-haul programs. We know that China is opening up, we know that they're sending more and more planes to Vancouver and into Toronto. It is difficult to imagine that a planeload of folks from halfway around the world wouldn't like to go to Niagara Falls and see it. We need to be thinking in terms of how we market not just the casinos but the Niagara region, and being very aggressive in making sure that people understand that it's about wineries, it's about golf,

it's about one of the great natural wonders—and by the way, yes, there is gaming there.

Ms. Scott: It's very aggressive planning, then. It's certainly attacking a global market and it's something we could work more at—more promotion. There's no question about it.

Do you think that any of the states that border us are looking at any anti-smoking bylaws?

Mr. Brown: It's funny; I've seen in the clippings that every now and then something pops up in Michigan, since Ontario announced its plans. I haven't seen any indication that we're going to get any relief out of Michigan. And in the case of New York state, I'm not sure whether or not any state legislation would apply to the Senecas' casinos, at any rate.

Ms. Scott: Wishful thinking, but anyway, I thought I'd ask if you'd heard anything.

Casino Rama borders one part of my riding of Haliburton–Victoria–Brock, and I know it employs a lot of people and gets a lot of customers from my riding. And they have fabulous entertainment shows. It's just incredible the people that go constantly to Casino Rama from my area. Are they all in a smoke-free environment? I'm just wondering, because they're all supposed to be smoke-free at the moment, but is there a big tent at Casino Rama where they can go and smoke right now?

Mr. Brown: No. The Mnjikaning First Nation, on whose land the casino is built, passed a bylaw which is very similar to the provincial legislation, and so there is a smoking shelter. As I recall the requirements of a smoking shelter, it's no more than two walls and a roof. So there is compliance with Mnjikaning's bylaw, just as there is compliance by all of our facilities across the province that are subject to the provincial legislation. I should mention that we have a facility at Scugog, the Great Blue Heron casino, which is also on First Nation land, and that First Nation also passed a bylaw which mirrors the provincial legislation. So at least within the province of Ontario we have consistency right across all of our gaming sites.

Ms. Scott: Thank you for that. I just heard that and I thought I'd have the opportunity to ask the question.

Also, Casino Rama and the province are in litigation as we speak. You're probably better to give the background of where that came from. Can you give us a little update on the outstanding issues with Casino Rama?

Mr. Brown: There are issues with the broader First Nations and then specific to Mnjikaning First Nation. The 133 First Nations have launched litigation across the province and the corporation regarding the 20% win contributions. On our commercial casinos, 20% off the top is collected. The First Nations believe that they should not be subject to that, and litigation has ensued.

There is also litigation over the distribution of net profits. There is a dispute between Mnjikaning First Nation and the other 130 First Nations about what percentage of the net profit goes to whom. It was clear that in the first five years of operation, the split was 65% to the 133 First Nations and 35% to Mnjikaning. After

that, there is a disagreement over whether or not that division was to be in perpetuity or to be renegotiated, and because of that, we're currently holding the equivalent of the 35% until such time as the dispute is resolved.

The third piece of litigation that is out there concerns the application of retail sales tax on purchases that are related to Casino Rama, and that litigation involves OLG and Mnjikaning.

Ms. Scott: Thank you for that update. I appreciate that.

You were talking about the change in the revenue formula with First Nations in 2011. So you're holding back—

Mr. Brown: The two items are separate. There is, under the current agreement, the dispute about what happens to the 35%, and then, separate and apart from that, there are the ongoing negotiations, chaired by David Peterson for the government, and the First Nations Limited Partnership, which represents the 133 First Nations, on an agreement that would be effective when the current arrangement expires in 2011. So post-2011, the proposal has been that the First Nations would share a percentage of our corporate revenues rather than being required to rely on the outcome of a particular facility—in this case, Rama.

Ms. Scott: What will that mean to Ontario Lottery and Gaming?

Mr. Brown: It will provide us with an opportunity to better manage the marketplace. As I said earlier, we're very sensitive to the fact that Rama is unique, that the net profits are going to a particular beneficiary. We almost tended to put a bubble around the Rama marketplace so as not to impact unduly what happens there, because we know where the money is going to go. When Rama becomes part of the total portfolio of OLG profits, then we'll be better able to look at opportunities. It may be that we'll expand a couple of locations, which might have a 5% impact on Rama, but which could generate an incremental 15% overall. Those are the kinds of trade-offs that will be easier for us to make if this arrangement proceeds.

Ms. Scott: I'll change topics there. I was fascinated by electronic bingo. Can you expand a bit more on what the success of the pilot projects has been, lessons learned and how the industry has reacted? Also, are you looking to expand electronic bingo to key bingo markets like Fort Erie, Windsor, the border ones?

Mr. Brown: Fort Erie is an excellent bingo market, I should add.

Ms. Scott: Is it?

Mr. Brown: Yes, absolutely.

As I mentioned, for us, the electronic bingo pilot is not a revenue generator; it's an opportunity for us to use a statutory monopoly on gaming technology that we've got. There are four locations: Peterborough, Kingston, Sudbury and Barrie. The first one opened about a year ago now and the other three have come on line over the last number of months. What we're seeing is an increase in revenue over the pre-conversion, if you will. All of

these facilities used to run traditional licensed bingo. The improvements have been anywhere from 10% to 20%, and we're still trying to measure exactly how much. It is a fascinating initiative for us. It's not that simple, because we are looking to convert with a minimum of difficulty for the charities and the municipality in a way that allows them to continue to operate the way they have, but instead of it being conducted under a regulatory regime with statutes and regulations and policies and terms and conditions of licence, it's now being done under commercial agreements.

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In the traditional format, the bingo hall owner is licensed by the Alcohol and Gaming Commission and is required to adhere to all the terms and conditions of the Gaming Control Act. Charities receive licences. Terms and conditions are binding per the Criminal Code, and this is where a lot of difficulty comes in, in terms of administering the program. Then you have municipalities, which are delegated authority to issue licences. In most cases, they issue the licence and then they administer the enforcement and compliance of the licence.

We want to retain partnerships that exist under the regulatory regime but, as I say, convert them to a commercial model. So the fact is that the municipalities will continue to assess eligibility of organizations and use of proceeds. The bingo hall owner will continue to provide a facility and staffing. The charities will continue to be the beneficiary, but now they no longer have the criminal law liability for operation, which is a huge distinction. It means that they're no longer in law required to "conduct and manage." In most cases small organizations have no idea of the risks they have put themselves under. So we're going to relieve them of that. The criminal law liability for "conduct and manage" becomes ours—the OLG's—and they become the beneficiary without having to be concerned about the operation of the business.

Ms. Scott: Do you have a lot of people wanting to have electronic bingo, then?

Mr. Brown: We've been working with the charity bingo association, the hall owners' group and the municipalities and everyone is anxiously awaiting the results of the pilot projects.

Ms. Scott: I'm sorry, I guess I'm out of time, so thank you very much for your information.

The Chair: That was 15 minutes. Mr. Bisson, we have 10 minutes left on my clock, so it's all yours.

Mr. Bisson: I've got a couple of questions. Just on the First Nations litigation issue, the agreement, as I understand it, is 1.6% on gross. What's your gross? Around \$5 billion, \$6 billion?

Mr. Brown: Six billion.

Mr. Bisson: That's more money than they're getting now under Rama. How much was Rama's win tax? We're not talking about the 35%, then; we're talking just what went to the other First Nations. How much was that representing?

Mr. Brown: Our win contribution from Rama averages about \$100 million, so since opening we have

collected probably \$800 million plus in win contribution from Rama.

Mr. Bisson: The original deal was 20%—you're going to have to remind me here—and then it was changed to what, again?

Mr. Brown: The win contribution has been 20% ever since the casino opened.

Mr. Bisson: No, let me rephrase. Originally, when Casino Rama was created, it was supposed to be that the win tax, the 20% we normally collect on every casino, would go to First Nations. That was changed in 2006, I guess, 2005. What was the percentage that was actually given out?

Mr. Brown: Let me circle back for a minute. When Casino Rama opened in July 1996, from that day the government has collected a 20% win contribution. That has never changed.

Mr. Bisson: I understand that part. My question is, how much did we actually give as a percentage to First Nations from 2006?

Mr. Brown: The government collects the win contribution off the top. The net profit is what goes to the 133 First Nations. That number fluctuates year by year, depending on revenues and expenses. It has been anywhere from \$80 million to \$100 million over the last number of years. Then that number is what gets divided 65%-35%, and it's in dispute.

Mr. Bisson: Yes, there are two different disputes, and we're not going to get into that. What I'm trying to get at is, there is about \$800 million that was basically put in trust, money that the First Nations claim should have been theirs in the first place. Just to remind me of the agreement that was arrived at last spring, I guess it was, how much of that actually goes back to First Nations?

Mr. Brown: There is no connection between the win contribution and the proposed agreement-in-principle that was announced in March.

Mr. Bisson: So that's still an outstanding issue?

Mr. Brown: The understanding would be that assuming definitive agreements are signed, the litigation concerning the win contribution would be dropped.

Mr. Bisson: Yes, the litigation. But I guess what I'm trying to figure out is, the win tax that was collected on Casino Rama—maybe I'm not understanding this correctly. My understanding of the original deal was that the 20% win tax that was collected from Casino Rama was going to be turned over to the First Nations. That was the original deal.

Mr. Brown: That's actually what's at the heart of the litigation.

Mr. Bisson: That's right, but that was not turned over. What we turned over was the net profit, which is less than they would have got under the win tax.

Mr. Brown: It's about the same, give or take.

Mr. Bisson: So what you're saying is that the deal as it was agreed to, and yet to be ratified, in 2011 will revert to 1.6% of gross sales on the lottery corporation. Then the trade-off is that the win tax litigation would basically be dropped.

Mr. Brown: Correct.

Mr. Bisson: Okay. At the end, between now and 2011, is there any loss of revenue to First Nations as a result of that? You win in 2011, you end up on the plus side, but between now and then, does it equal out?

Mr. Brown: Sorry. I'm going to have to ask you to ask the question again.

Mr. Bisson: Right now there's a 65%-35% split on the actual net profit of the casino, which is whatever it is every year, compared to what they were supposed to get. What I'm asking is, does what they will get in 2011 offset those losses?

Mr. Brown: I can't answer that. I haven't been at the negotiating table, so I don't know what the background context is for the numbers.

Mr. Bisson: Could you tell me what the outstanding issues are from your understanding of finalizing the actual agreement that was made last spring? I understand there are still a couple of outstanding issues: future casinos and a few other issues. Maybe you can bring us up to date on that.

Mr. Brown: I would love to be able to but I'm really not the best one to do it. As I said, the negotiations are being conducted by government, not by the corporation.

Mr. Bisson: Okay. I noticed we don't have translation machines for anybody. We're in the Amethyst Room and there are no—

The Clerk of the Committee (Ms. Tonia Grannum): We do.

Mr. Bisson: Okay. Can you make sure he gets one, because I want to ask him something in French.

The Chair: Just on the clock, two minutes are left of your time.

Mr. Bisson: I'm running out of time here. I always thought we'd leave those things on the desk so you can revert to French. Parlez-vous français?

Mr. Brown: I might be able to understand the question.

M. Bisson: La question est simple. Dans votre nouveau logo que vous avez créé, pour quelle raison est-il seulement en anglais?

Mr. Brown: Why is it all in English?

Mr. Bisson: Yes, why is it only? Vous avez fait un nouveau logo pour être capable de démontrer une nouvelle identité pour la corporation. Je comprends. Ça fait du bon sens. Mais pour quelle raison est-ce qu'on a fait ça seulement en anglais?

M. Brown: C'est une bonne question. I wish I had a "bonne" answer. I take your point and we will revisit this. Thank you.

Mr. Bisson: I would like to get an answer to the committee, if you could—not today. Get us something so that we could take a look at that.

The Chair: Sure. Monsieur Bisson asked a good question about the use of French in the OLGCA documents. If you don't mind, through the Chair—

Mr. Bisson: No, it's on the logo. The logo itself is only in English.

The Chair: Sorry, on the logo. And if you don't mind, through the clerk we'll get the response to the committee

members. If possible, we're going to get information to members by a week from Friday.

Anything else, Mr. Bisson?

Mr. Bisson: No, that's it. That's fine.

The Chair: Okay. Folks, that will conclude the morning session of our interview with the Ontario Lottery and Gaming Corp. Mr. Gough and Mr. Brown, thank you very much for your presentations and your responses to our members' questions. We covered a lot of issues with respect to the OLGC this morning. I would ask you to maintain a presence this afternoon and I'll give you a chance at the end of the session to respond to the deputations, if you so choose. As to the other outstanding issues that Monsieur Bisson asked about, if you get those to the clerk's office, we'll distribute them to the members.

Folks, we are recessed until 1 o'clock this afternoon in the same committee room. Thank you very much.

The committee recessed from 1200 to 1304.

The Chair: Good afternoon, folks. The standing committee on government agencies, afternoon session, Wednesday, September 6, is back in session. I thank Bill Rutsey for his patience.

The committee had to do some negotiations. We've decided to pick up and leave and continue hearings at Casino Niagara, and that's at the Fallsview, if that's all right with you. We're renting a bus as we speak.

Folks, we're going to begin the afternoon session. We have—

Interjection: Is it warmer in Niagara?

The Chair: The Falls has a cooling effect, actually. It will bring down the temperature considerably.

We have three deputations this afternoon. We did have some cancellations, unfortunately. This will mean that our time, however, will end sooner than originally planned. We will have an opportunity, if they so choose, for the OLGC to respond at the end of this session.

CANADIAN GAMING ASSOCIATION

The Chair: We may as well move forward now with our first deputation of the afternoon, the Canadian Gaming Association. I'm pleased to see Bill Rutsey here this afternoon on behalf of the association, who is the president and chief executive officer. Mr. Rutsey, welcome. You're welcome to make opening comments of up to 15 minutes, and any time remaining in the half hour will be split evenly between the three caucuses, beginning with the official opposition. The floor is yours.

Mr. Bill Rutsey: Good afternoon, Mr. Chair and committee members. Thank you for inviting me to appear before you. I'm Bill Rutsey, the president of the Canadian Gaming Association.

The Canadian Gaming Association is a not-for-profit organization with the fundamental goal of creating balance in the public dialogue about gaming in Canada. Our mandate is to create a better understanding of the gaming industry by bringing facts to the general public, elected officials, key decision-makers and the media

through education and advocacy. The association is co-owner of Canada's premier gaming industry event, the Canadian Gaming Summit, and publication, Canadian Gaming Business. Our members include industry-leading suppliers, operators and others engaged in the industry nationwide.

The association speaks to important national and regional issues as the voice of the industry, including commissioning and publishing national studies and surveys, and has established relationships with government agencies and industry stakeholders on multiple issues, including responsible gaming policies and practices, codes of conduct and social responsibility.

Speaking of studies, I see that Dr. Williams is scheduled after me. He's the author of a very speculative report concerning the sources of casino revenues in Ontario, results based upon anecdotal information reported from a very small sample of problem gamblers, approximately 30, and another 70 or so with moderate problems. The findings, which are termed extremely tentative by Dr. Williams, are 20 times greater than those as determined by the University of Chicago in a statistically valid study of sources of Las Vegas casinos' revenues from problem gamblers, obviously calling into question those reported results.

I have been in the gaming industry for almost 20 years, both as a senior adviser to the private sector and governments, including assisting in the creation of gaming policy and casino development here in Ontario and in Nova Scotia, and as the CEO of operating gaming businesses in Nevada and Ontario. I've been licensed by gaming regulators in Nevada and Ontario, and have commented on gaming issues in various media and before government.

Of particular relevance to you may be that as the national leader of the Coopers and Lybrand gaming consulting practice, I was a principal consultant to the Ontario casino project from 1992 through 1994. This included authoring the 1993 Coopers and Lybrand report to the Ontario casino project, which set out the blueprint for casino development in Ontario, including locations and sizes of casinos, and the regulatory system required.

I assisted in the operator RFP and selection process for Casino Windsor, including negotiating the development, operating and financing agreements. I was a principal adviser to the Chippewas of Rama First Nation, assisting them in being selected as the host casino for Ontario's First Nation casino. As well, I assisted in the ensuing operator selection process and negotiating the development, operating and financing agreements.

I was also the CEO of a company awarded the rights by the government of Ontario to develop and operate six charity casinos in the province, including the currently operating casinos in Brantford and Point Edward, and the slots at the Fort Erie and Sarnia racetracks until the initiative was subsequently cancelled by the same government and the operations turned over to the newly created Ontario Lottery and Gaming Corp., combining the Ontario Casino Corp. with the Ontario Lottery Corp.

As you can see, I both advised government on policy and implementation as well as having been on the short end of policy change.

I've been advised by the Chair to keep my remarks brief so as to afford you the maximum time to ask me some questions, so I'll just finish with some brief comments about gaming in Canada generally.

Over the past decade, gaming in Canada is becoming an increasingly popular entertainment choice for adults. A public opinion survey undertaken by the Canadian Gaming Association this past spring found that over 80% of Canadians participate in one or more forms of gaming. When going to a gaming facility, almost 90% go with a budget and always, or almost always, stick to it. Most see gaming as an acceptable form of entertainment, no different from going to dinner and seeing a movie.

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With this acceptability has come growth, created by customer demand. The Canadian gaming industry has more than doubled in size since 1995 in terms of win to more than \$14 billion today, resulting in more than \$7 billion to fund government programs and charitable causes. That's a direct \$7-billion benefit to Canadians, over and above the 50,000 jobs provided and the goods and services purchased and the \$7 billion-plus spent into the economy to drive the business.

Interestingly, those \$14 billion of revenues generally mirror Canada's population distribution. What does vary between regions are the gaming offers. The games that gave birth to the industry are no longer its major revenue generators. The market share for lotteries, pari-mutuel and bingo have all fallen 50% over the past 10 years. This decreasing interest in older gaming products is mirrored worldwide. Picking up the slack, combined casino and electronic gaming device market share has gone up more than 100%, from 32% of overall gaming revenues to 67%, and with this growth has come increased competition, including, as you heard this morning, new casinos in Michigan and New York state. When you combine this with things like more relaxed attitudes to smoking there, the rising Canadian dollar and heightened border security, you can quickly see why the days of simply "Open the doors and the people will come" are long gone.

Gaming's growth areas are in social, entertainment-based activities. Consumers want more interactivity, more skill-based games and games they can play with groups of friends. Customers are looking for and demanding a more complete entertainment experience, and that demand for live, name entertainers, dining options and resort-like amenities is being delivered, including here in Ontario at casinos like Fallsview, Windsor and Rama.

In closing, I've been, as was put in your letter of invitation, affected directly or peripherally by Ontario Lottery and Gaming for many years and I've been a keen observer of OGLC's various formations and manifestations as it has conducted business while at the same time always adhering to government policy. OLG has grown

from a simple seller of lottery tickets to one of the largest, most multi-faceted gaming operations in the world, including being a leader and at the forefront of responsible gaming policies and practices. In my view, in today's highly competitive environment, the right team is in place at both the operational and senior management levels at OLG.

Those are my prepared remarks, and I'd be happy to try to answer any questions you may have of me.

The Chair: Terrific, Mr Rutsey. Thank you very much. That leaves about five and a half minutes per caucus for questions or comments, beginning with the official opposition.

Ms. Scott: Thank you for coming today and making your presentation to us. The government, in January 2005, announced the new gaming strategy, which was that no new commercial or charity casinos were part of that initiative; no new racetrack slot facilities; no video lottery terminals in neighbourhood bars and restaurants; no slots in bingo halls; and no provincial involvement in Internet gaming. Do you agree with that?

Mr. Rutsey: Our association supports government policy of the day, and I think the government of the day has taken a moderate and responsible course. We support the stated government policy.

Ms. Scott: When the Ontario Lottery and Gaming Corp. appeared this morning, there were quite a few casinos—Windsor, Niagara etc.—that were going to have a decrease in revenues coming up, and we were asking about what plans they might have to retain business. It's a very competitive market, as you said. Can you expand a little bit on that and some changes you'd like to see or what benefits could attract people from other countries?

Mr. Rutsey: I was here this morning and I heard Mr. Brown's pretty detailed response to that. I really can't add too much to that. OLG's mandate, in my view, is simply to implement stated government policy. I think they're doing it in a very responsible fashion. They have very aggressive programs in place to enhance their businesses and to market their businesses cross-border. Casino gaming in the border communities is affected by a lot of different things. Smoking has been a real issue, hopefully temporary. The tightened border is a much larger issue that needs to be dealt with on a government-to-government basis. There's not too much that OLG can do about that in terms of speeding up border crossing or documentation required by Americans to return to their own country. The strengthening of the Canadian dollar has made the appeal of seemingly having more money to gamble per your American dollar go away a little bit.

These are all issues they're dealing with, and the way they're dealing with them is excellent in terms of broadening the product, more hotel rooms, more entertainment, better food and beverages—a more complete entertainment experience. That's the way Las Vegas went and that's the future of gaming in a competitive world.

Ms. Scott: Do you have an estimated cost of the no-smoking law that's come in, of how much the casinos have lost in revenue?

Mr. Rutsey: No, we don't have calculations like that. I'm sure the Casino Windsor management team would probably have a pretty good estimate of that.

Ms. Scott: Thank you. Commercial casinos are operated by some private companies, through a contract with the OLGC. Charity casinos are operated directly with the OLGC and they're all OLGC employees. Aside from the slot limits—the games are similar—why the discrepancy, and maybe you have some advice on the benefit of changing the model? I don't know if you can answer that question, but just roughly.

Mr. Rutsey: That's a delicate question to ask me. As I told you earlier, I was the president of a company that was awarded the rights to initially operate those casinos. They were going to follow more of the private sector model, the way large commercial casinos are operated, and then there was a government policy change, actually, under the Conservative government which reversed that and turned the operation of those facilities over to the Ontario Lottery and Gaming Corp. It was a policy decision made by the government of the day.

Ms. Scott: Okay.

The Chair: One quick question for you still.

Ms. Scott: That's fine. Thank you very much for appearing before us today.

The Chair: Thank you, Ms. Scott. To Mr. Bisson. You have five and a half minutes.

Mr. Bisson: Five and a half?

The Chair: About that, yes.

Mr. Rutsey: Six if you're nice.

Mr. Bisson: I was expecting a bit longer.

You were saying that 90% of gamblers go into casinos and gamble within their budgets.

Mr. Rutsey: I said that 90% go with a budget and the overwhelming majority, about 90% of those people, always or almost always stick to their budget.

Mr. Bisson: On what do you base that? I'm just curious.

Mr. Rutsey: We base that on a survey we had conducted by PMG Consulting from Waterloo. Just this past April they surveyed a representative sample of 1,000 Canadians across the country, and that was one of a number of questions they asked.

Mr. Bisson: My experience is that most people talk about winnings; they never talk about losses. I'm just wondering how accurate that is.

Mr. Rutsey: I think it's pretty accurate, because this is surveyed again and again in the U.S. by people like the Harris Institute and Roper research. The findings we've found when we've commissioned this kind of research in Canada are not much different, if not the same as you see over and over again.

There's been a lot of talk this morning about people with problems, some of the numbers. Approximately 1% of the population has a severe problem, depending on how you measure it, and another 2% to 4% have moderate problems, which leaves 95% of the people who have no problem at all. Most people see it as an ephemeral entertainment, just like going to a sporting event.

They go with a budget, and what they're really looking for is a period of time to entertain themselves. They would like to win but they're not planning on winning. They don't go there with the plan of changing their lives or the expectation of winning. It's simply something they like to do to enjoy themselves and it's a simple entertainment experience. It's the same if you're going out to dinner and you've got a budget, if you're going to a hockey game and you've got a budget, and if you're going to go to a casino you've got a budget; and really all you're buying is entertainment time. Winning is a bonus.

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Mr. Bisson: Don't get me wrong. I don't have a problem with the OLG running casinos or lotteries. Quite frankly, I'm a frequenter of both. But to my observation, when you said that number, that sort of skews what you see. I'll go there with somebody and they'll say, "I won \$500 at the casino." Well, they put in 600 bucks to win 500. They won one jackpot and spent far more money than they should have.

Mr. Rutsey: I think the way you look at this—I'll make up some numbers. You go and you say you've got a \$100 budget. You're up \$400, so you're playing with the house's money then. What we're saying is that for the person who intended to go with \$100 and spend no more than \$100, 90% of the time that's what happens. They may be up, they may be down some, but at the end of the day they walk away from the facility no more than \$100 down if that was their opening budget going in.

Mr. Bisson: The other thing you said, and I forgot the stats you quoted—what percentage of the revenue was based on problem gamblers? You're saying it's lower than what's reported?

Mr. Rutsey: I'm saying that in that one study, if you read the entire study—even the author is extremely tentative—he took the position that people were over-reporting and under-reporting their losses and that somehow or other all of these mistakes they were making would balance out in the end. He spoke to so few people as to make it, I would say, statistically not very reliable. When you take a look at what those numbers were—the numbers are out there in the public realm—I think he said that 1% of people with problems created 20% of the revenue, versus the Chicago study that said that the 2% of people they consider to have problems contributed 4% to casino gaming revenues.

Mr. Bisson: You're saying a far smaller amount of overall revenue comes from problem gamblers.

Mr. Rutsey: Exactly, because there are so few of them, relatively speaking. It's not to say that someone who gambles more often isn't going to give you more revenue than someone who gambles very infrequently. That's like saying a season's ticket holder gives you more money than someone who goes to the occasional game.

Mr. Bisson: I'm not sure I like the analogy, but that's another story.

In regard to what we're doing to deal with problem gamblers, is there anything we should be doing, in your

view, that you see in other jurisdictions that we're not doing?

Mr. Rutsey: Again, this morning the facts came out. I'll put it a little more directly: Ontario spends more money than any other jurisdiction in the world, on a per capita and a total dollar basis, on the study, research and treatment of problem gambling. So Ontario is a world leader and Canada is a world leader. Canada, by virtue of Ontario and Quebec and all the other provinces, spends about \$75 million to \$80 million a year on that subject. That's not even counting the amounts of money that organizations that are, say, our members, like the large manufacturing companies, spend.

Mr. Bisson: The amount of money is not the clear measurement of how effective it is. I'm just wondering: Is somebody doing something in another jurisdiction that we should be looking at, specific initiative programs etc.?

Mr. Rutsey: No. The short answer is no. I think the programs that Ontario is currently undertaking and has on the drawing board are kind of leading-edge in terms of identifying and assisting people with problems.

The Chair: Time for one more question if you'd like one more.

Mr. Bisson: No.

The Chair: Thank you very much. To the government members. Mr. Parsons.

Mr. Parsons: Thank you for being with us this afternoon. The Canadian Gaming News—I've suspect you've heard of the publication—

Mr. Rutsey: Yes.

Mr. Parsons: —suggested that your association is largely the invention of the OLG; it does not represent other Canadian and provincial gaming operators. Would you like to respond to that?

Mr. Rutsey: First of all, we're not an association that was founded by OLG, and our members primarily come from the private sector. We represent the leading manufacturers and operators and other companies like IGT, Progressive Gaming, TD Securities, CIBC World Markets, Sprott Securities, the Canadian hotel association, the Saskatchewan Indian Gaming Authority, Great Canadian Casinos, Gateway Casinos Income Fund—the entire list is available on our website.

We do a lot of work with each of the provincial organizations individually. I have spent a lot of time in the past year in Atlantic Canada working with Nova Scotia Gaming Corp. and Atlantic Lottery Corp. on a number of issues. We have very strong relationships with each and every provincial agency in this country.

With great respect to the author of that publication, I would disagree entirely. Hopefully that answers your question.

Mr. Parsons: I certainly have a sense that you have a good working relationship with OLG, and I applaud that. I think that's to everybody's benefit. But as you exist to benefit those who have a problem with gambling, how do you benefit OLG? What do you bring to the table with them?

Mr. Rutsey: We're a trade association similar to any other trade association. So what we represent are the overall interests of the industry. I think that one of the big issues that we deal with right now is just actually getting proper information and research on the table about the gaming industry, which is why, for example, we are commissioning that annual survey of Canadians' attitudes and opinions. We released the first one last April. The *bête noire* of gaming is VLTs, so we commissioned a national study of VLT gaming in Canada where we studied the reasons, the history, compiled the entire story with respect to how VLT gaming is conducted and managed across the country, to get the facts out on the table as opposed to just rhetoric and emotions.

We are about to release an RFP for a national economic impact analysis of the gaming industry in Canada. We will be initiating a philanthropy audit with respect to the gaming industry in Canada. So our goal is primarily to get accurate information out there about gaming so that people can make informed decisions and choices.

Mr. Parsons: Thank you.

The Chair: We still have two minutes, folks. Mr. Milloy?

Mr. Milloy: Thank you for the presentation. Just to get a bit of a perspective on your industry as an industry, what is the sort of overall economic impact that you estimate for this in the country or the province or—

Mr. Rutsey: Across the country, as I said, it's a \$14-billion top line. About half of that, \$7 billion, goes to government programs and services, and the other \$7 billion gets spent back into the economy. Stats Canada has estimated that there are more than 50,000 people directly employed by gaming in Canada, and then if you take the horse racing industry, the horse racing industry says that they alone employ more than 50,000 people. So probably 100,000 people are directly affected.

A little factoid around that: Notwithstanding the great strides that the government here in Ontario has made with respect to automotive manufacturing just lately, there are more people employed by the gaming industry than are directly employed in the manufacture of passenger automobiles in this country. So it's a big industry.

As Mr. Brown said this morning, communities right across the country are affected in a very positive fashion, either through jobs, giving back to the community through employees donating to charities, service organizations, direct support by the operating companies of community organizations and service organizations in the community. It's a very large, productive industry that raises significant revenues for government, directly non-tax revenues and indirectly through all of the money that's churned back through the economy.

Mr. Milloy: I think I have time for one quick question?

The Chair: One real quick question, yes.

Mr. Milloy: Turning to something very specific, Internet gambling, I'm just wondering if you're aware that our colleague Mr. Leal from Peterborough has a

private member's bill and if you have any thoughts on that.

Mr. Rutsey: Actually, yes. I wrote a letter of support to the Ottawa Citizen. They had an editorial where they, for God knows what reason, slammed the initiative, and I wrote a letter of support. We certainly believe that the law should be obeyed, and Internet gaming, unless it's conducted and managed by a crown agency in Canada, is illegal. The fact that these businesses are allowed to advertise I think is wrong. I think that law enforcement agencies should probably take a hard look at what's going on here and take some appropriate actions to curtail what, under the Canadian Criminal Code, is clearly illegal.

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The Chair: Folks, that does conclude our time.

Mr. Parsons: Do you want me to ask for unanimous consent for more time?

Mr. Rutsey: Well, I'm enjoying it.

The Chair: Mr. Rutsey, thank you.

Interjection.

The Chair: It was a pretty good response. Are you happy with the response?

Mr. Milloy: Yes.

The Chair: Mr. Rutsey, thank you very much for your presentation and your responses to my colleagues' questions. Good seeing you again.

Mr. Rutsey: Good seeing you.

The Chair: You're welcome to stick around, too.

Mr. Rutsey: Okay. Thank you.

ROBERT WILLIAMS

The Chair: Our next presenter is coming in via video-conference. This is Dr. Robert Williams. We'll be able to see Dr. Williams on our screens. For our growing audience, hopefully they can—can they come along the side?

Interjection.

The Chair: Oh, you can see the screen there. Terrific. Thank you. Dr. Williams will see the camera feed, so whatever goes through—you'll be on screen by looking up there, so you know to smile and pay rapt attention to Dr. Williams's comments. Dr. Williams, are you with us at this point in time?

Dr. Robert Williams: I am. Can people hear me?

The Chair: Super. Welcome to the standing committee on government agencies. We have half an hour slotted for your presentation. I'd ask you to make some opening comments about the viewpoints on the Ontario Lottery and Gaming Corp., your advice for this committee to consider as part of its review. You have up to 15 minutes to do so, and then any time that you leave in that 15 minutes and up to a half-hour for our session will be divided equally between members of all three caucuses. Can you see us okay?

Dr. Williams: I can see you quite well, thanks.

The Chair: Well, terrific. As the other members speak during the question-and-answer session, the camera will

then focus on them, so you should be able to see who is addressing you as well.

Dr. Williams: Is my audio coming through fine?

The Chair: Absolutely. There's a two-second delay, but otherwise it looks good. That's an attractive tie and suit you have on, by the way. Dr. Williams, you're welcome to begin your presentation. At the conclusion, I'll indicate who will be asking the next question. Sir, the floor is yours.

Dr. Williams: Okay. First of all, I'd like to thank the committee for this invitation to present my thoughts on the OLG. A little bit of background about myself first: I'm a professor in the school of health sciences, University of Lethbridge, as well as the coordinator for the Alberta Gaming Research Institute. I teach in the health, social and economic areas of gambling as well as conduct research in all areas of gambling. I have done and continue to do a fair amount of research in gambling in Ontario. In fact, I believe I receive more funding to do research in Ontario than anywhere else. So I'm quite familiar with the mandate of the OLG as well as the products it provides to its citizenry.

I'd like to start out by acknowledging some significant strengths, from my perspective, concerning OLG. First, I think OLG provides a very diverse and high-quality product to the citizens of Ontario. There's a very diverse array of gambling formats in terms of lottery tickets, scratch-and-win, slots at racetracks, casinos, linked bingo and sports betting. Furthermore, the quality of those products is very good. They're not stodgy; they're very cutting-edge. I would say some of the commercial casinos are close to world class.

Second, an acknowledged strength of the OLG is that the commercial operation of gaming in Ontario appears to be quite good. There are very effective procedures in place to ensure, first of all, the fairness of the games; secondly, the exclusion of criminal elements in the provision of gambling—historically, both of those things have been significant concerns—and finally, the orderly and fairly transparent flow of gambling revenues. I'm personally not aware of any significant problems in those areas. But there are weaknesses, and it's primarily the weaknesses that I want to talk about today.

The primary weakness in my mind is the only partial fulfillment of the mandate to provide gambling in a socially responsible way.

Let's look at a few facts. First of all, approximately 3% to 5% of the Ontario populace are currently problem gamblers. Now, you're always going to have problem gambling no matter what jurisdiction you're in, whether you provide gambling or not. But the significant thing to my mind is that this is a significantly higher rate than you find in most other jurisdictions in the world. Secondly, our best estimate is that perhaps 35% of Ontario gambling revenue comes from problem gamblers. This would be a problematic figure if it was just private industry, but I think it's especially problematic for a government-run operation. Thirdly, my contention would be that the large majority of responsible gaming initiatives of OLG are

actually ineffective. So what are those initiatives and why do I say that?

First of all, “responsible gaming” is a message incorporated into all OLG products. Scientifically, these sort of public service messages almost never have any impact, even when they’re direct, graphic and hard-hitting, sort of like the images you see on cigarette packages. But I’m not even sure that “responsible gaming” is a good message. OLG doesn’t deliver gaming; it delivers gambling. Whenever you wager money on games, it is by definition gambling. It seems to me that when you disguise the product as a more benign activity than it actually is, you undercut your efforts to alert people to their potential over-involvement in it. It’s sort of analogous to changing the “smoking kills” message on cigarette packages to “please monitor your consumption of this enjoyable plant product.”

The second thing that OLG does is voluntary self-exclusion contracts at casinos and slots and racetracks. These are largely ineffective. They’re ineffective due to OLG’s lack of enforcement. The penalties for breach of this contract are rarely imposed, and logistically it’s actually pretty near impossible for security guards to memorize the pictures of these thousands of people who signed up. So it just doesn’t work very well.

Hosting the problem gambling helpline provided with most OLG products: This indeed is probably helpful. There’s good research that the publicity of helplines, regardless of which province they’re in, actually does increase phone calls to the helplines and subsequent referrals to treatment. So that is a good one.

Providing clocks in restrooms: When I saw that being touted as a responsible gaming initiative, I wondered if that’s such a good idea. It obviously begs the question, why aren’t you putting clocks on the actual gambling floor? In any case, this initiative has never been empirically tested. It’s unlikely to be effective, though. Clocks on slot machines don’t fundamentally alter behaviour. In jurisdictions like Australia, where their clubs often have clocks, there’s not a whole lot of evidence that clocks really deter gambling behaviour or change it in any significant way.

Casino staff train on the signs and symptoms of problem gambling: First of all, these sessions are very short and usually just consist of one session. The other thing is that for a significant portion of gaming staff, you’re not teaching them anything they don’t already know. Research I’ve done suggests that up to a quarter of casino staff in Canada are problem gamblers themselves. Secondly, front-line casino staff are generally not permitted to directly approach clientele, only refer the issue to the supervisor. Many are disinclined to, either because they don’t see these behaviours as any different from their own or they see it as hypocritical, being problem gamblers themselves.

On-site treatment counsellors at casinos: The jury is still out on this one. I think it is potentially a good idea. It seems to make sense to go where the problem gamblers are. However, in Manitoba, which is the only jurisdiction

that’s done any sort of analysis of this initiative to date, it has not resulted, surprisingly, in a significant increase in treatment providers’ caseloads. As I said, the jury is still out on that one.

Lastly, the fact that 2% of gross gaming revenues from slots at charity casinos and racetracks are allocated to prevention, treatment and research: That’s about \$36 million. That’s not small change, but it is when you put it in the context of a couple of other facts. First, this only represents about 2% to 3% of the over \$1 billion in revenues estimated to derive from problem gamblers. So you’re taking over \$1 billion from them and redirecting 2% or 3% back to them in service. Second, the latest I’ve seen is that OLG spends 13 times as much money promoting its product as it does on prevention, treatment and research. So what could and should be done?

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First, I would contend that some of the top OLG administrators need to be people with backgrounds in social sciences. As far as I can see, everyone in top administration has a legal, accountancy, management, business or economics background. The lack of social sciences people and treatment providers on the board and within senior administration has several ramifications.

First of all, the responsible gambling initiatives they devise tend to be ineffectual. These people do not have a background in prevention research, so it’s not surprising that the ideas they come up with aren’t the same sort of ideas that prevention researchers would. It’s the same sort of idea as if you replaced the entire board with treatment providers and social sciences people. I think the commercial operation of OLG would suffer.

Secondly, OLG has developed an inherently commercial rather than a social responsibility orientation. For the most part, gambling in Ontario is treated as a business, much like any other business. We’ve adopted the Vegas model of casino operation, rather than a more socially conscientious European model. The Vegas model is the most commercially successful type of casino operation in the world, but it’s devoid of social responsibility elements. Nevada spends less on problem gambling than virtually any other jurisdiction in the world. It’s not really a good model for Canada, let alone a government-run operation.

There’s a general lack of knowledge about problem gambling. I was reading the Hansard concerning this committee’s interview with Mr. Gough in the context of his appointment as chair of OLG, and a couple of things struck me about that interview. First, when they asked, “What’s the prevalence of problem gambling in this province?”, he reported that the latest stats were from the 2004 Stats Canada survey. Well, first of all, the survey was done in 2002 rather than in 2004. Secondly, most gambling researchers don’t ever quote those figures because of serious methodological problems in that survey. Stats Canada also reports that the average Canadian spends \$100 a year on gambling, whereas revenues show it to be \$500. Thirdly, the most recent problem gambling prevalence stats are actually from studies that I

did in Ontario in 2003 and 2004. Mr. Gough seemed unaware of that study, despite its wide publicity, and generally gave the sense of not being that familiar with problem gambling issues.

As a follow-up to that question, someone asked, "Are problem gambling rates going up or down in this province?", and he said he didn't know. As a follow-up to that, he was asked, "Are you measuring the problem gambling status of your patrons at the casinos, because that would be the obvious place to do it?" He didn't know the answer to that either. I know the answer to that; the answer is no. OLG does extensive patron surveys concerning who their patrons are, what they spend their money on and where they're from. They've never tried to establish the problem gambling status of their patronage. To me, that's quite a pertinent question, because it provides one of the few concrete pieces of evidence concerning whether your responsible gaming initiatives are truly being effective or not: whether you're affecting the problem gambling prevalence rate in your patronage. It's an obvious thing that could be done and should be done and isn't being done.

Structural independence between the regulation of gambling and the provision of gambling: Many people would argue that the appropriate role for government is actually regulation of problematic services and products, not their provision. There's actually nowhere else in the world where the government plays such a major role in the provision of gambling. The Ontario government would never consider brewing beer or growing tobacco, yet it seems to have very few qualms about provision of gambling. Aside from that ethical issue, it creates a significant conflict of interest, in that the government is both the provider and the regulator. This lack of independence or perception thereof is reinforced by some of the appointments that are made. You have the head of the regulatory body, Mr. Duncan Brown, becoming the head of the operating body. You have the head of the operating body, Mr. Sadinsky, becoming the independent reviewer of Ontario's responsible gambling initiatives, wherein OLG plays a large part.

The Chair: Dr. Williams, sorry to interrupt you at this point. There are about two minutes left in the allocated time for your presentation. How much time would you like to have?

Dr. Williams: Five minutes.

The Chair: Are any of the caucuses willing to give up some of their time? Otherwise, I'll limit Dr. Williams to the last two minutes.

Mr. Bisson: Sure, no problem.

Interjection.

The Chair: You're willing to give some up? Okay. Please proceed.

Dr. Williams: To my mind, this close relationship between the provider and the regulator prevents maximal scrutiny to ensure the product is delivered in a safe and socially responsible manner. A product that causes significant harm to around 25 people would typically violate Health Canada's Food and Drugs Act if it was

food or drug. It would typically violate the Canadian Product Safety Laboratory's Hazardous Products Act if it was a consumer product. I think it probably is.

There are consumer products whose legal provision does result in harm to segments of users: cars, firearms, alcohol, tobacco. However, in these cases there exist laws and procedures that are truly effective at minimizing the harm. I'll skip that section, but the basic point is that we do provide some hazardous products, but there are effective procedures in place to minimize the harm there. I don't believe the same can be said of gambling.

Third, eliminate or severely restrict the most dangerous forms of gambling: gambling machines. We make distinctions between substances: intrinsically more addicting or harmful ones—heroin, cocaine and methamphetamine are illegal—and the less intrinsically harmful ones—alcohol and tobacco are legal but provided in very restrictive circumstances. It's the same thing with firearms. Hunting rifles are legal, but assault rifles and handguns are illegal.

The reality is that the majority of problem gamblers have difficulties primarily with one form of gambling, and it's gambling machines. If we're going to make a distinction—we haven't made any distinctions in gambling; pretty much anything goes—that is where the distinction needs to occur. Gambling machines have been successfully eliminated in South Carolina, and Norway is now following suit.

Fourth: Implement effective casino self-exclusion policies, as is done in other countries. Require ID to enter gambling facilities, as done in Illinois as well as most European countries, to effectively bar self-excluders. Secondly, have OLG honour the contracts they sign with self-excluders in terms of enforcement. Now, courts are going to force OLG to do this through some recent successful lawsuits. Bars are legally liable if they serve intoxicated patrons. Courts are forcing OLG to accept that casinos are also legally liable if they continue to serve problem gamblers who have asked not to be served. Minimum five-year bans: There's some addiction research that supports that particular length.

Lastly, potentially use the data from player reward programs to practically intervene with people with excessive expenditures. Consider eliminating the player's reward program altogether.

Don't allow problem gamblers to be employed as gambling service providers. They're your ambassadors, and yet I can bet you that if a study was done in Ontario, you'd find that a significant proportion of your employees are, in fact, problem gamblers. It creates a very bad image.

Eliminate customer credit at casinos. This is the only province that permits this. The LCBO would never permit credit; why do the casinos approve credit?

Eliminate ATMs from gambling facilities.

Last slide: I would say that the Ontario public is looking for leadership in these types of initiatives. Currently, my research indicates that two thirds of Ontario residents believe the harm of gambling outweighs its

benefits. If for no other reason, Canadian provincial governments may be vulnerable to class-action suits because of these shortcomings.

The lessons of the tainted blood inquiry were that legal liability for industry and government starts once: (a) they're aware of the problem; and (b) they have the ability to rectify the problem. To my mind, those conditions have been met within the last couple of years.

The Chair: Terrific. Dr. Williams, thank you very much. Just slightly over. So we'll take one minute. Both the official opposition and the third party have volunteered to give up a minute of their time each. I would ask you for one last thing: to kindly send the slides to us. We've had a number of requests for those slides. If you don't mind e-mailing them to us, our clerk will distribute them to the members of the committee.

We will begin with Monsieur Bisson. First round of questions. You have four minutes.

Mr. Bisson: I've got a bunch of questions. One is, the previous presenter basically argued that the facts that you use around problem gamblers being a large part of the business of Ontario casinos are skewed. Do you want to respond to that? He's saying it's far less than what was reported in your report.

Dr. Williams: First of all, there have been several studies of this. I heard the previous presenter talk about this before. I think he's referring to the one American study that found 15% as opposed to 35%. Well, first of all, that study was done in 1999 as opposed to more recent years.

Secondly, it was done in the United States, which has considerably fewer gambling opportunities than Canada. A lot of states don't even have casinos; some don't even have lotteries.

Thirdly, there were serious methodological flaws of that particular study. A good measure of whether your study is good or not is how well the actual revenues of the jurisdiction match up with the reported expenditures. In that American study, Americans didn't lose any money to casinos; they actually won \$6 billion. There was no match.

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My studies, and I've done three studies in Canada—in Alberta, in Ontario and in all the provinces—consistently find about 30% to 40%. Australia has found a similar figure. This is by far the best evidence because it's Canadian context, it's recent stats and, most importantly, because we used prospective diaries, the reported expenditures matched up with the actual revenues. This is the best evidence.

Mr. Bisson: What would you actually estimate? What percentage of revenue in casinos comes from problem gamblers, and what do you base that on?

Dr. Williams: Well, 35% of all Ontario government revenue comes from problem gamblers. In casinos, it's probably 50%. If you look at how much problem gamblers versus non-problem gamblers report spending on various forms of gambling, you find that the proportion of the total pie accounted for by problem gam-

blers is considerably higher. Again, for casinos, roughly 50%; for slot machines specifically, roughly 60%.

These figures have been corroborated with independent studies in Nova Scotia, Australia and Alberta.

Mr. Bisson: Do I have a minute? You also gave a stat that I found kind of interesting, because you were saying that 25% of the staff who work at the casinos are problem gamblers themselves. I would think that for somebody who deals cards all day, the last thing they would want to do is go home and play cards. I just found that number high, and I'm wondering again, what do you base that on?

Dr. Williams: My graduate student's thesis. She's a blackjack dealer at the casino in Lethbridge. It was an observation of hers that a significant portion of her colleagues were gamblers. She established two things. We did a survey of Alberta casinos to determine what percentage of employees were problem gamblers and, secondly, is it a cause or effect?

The study shows that 25% of Alberta casino employees meet CPGI criteria for problem gambling. But secondly, most importantly, it's not the employment that causes problem gambling; rather, it's that gamblers are preferentially attracted to this sort of employment. They like the environment of being in a casino. Furthermore, it's a self-exclusion sort of thing, because you cannot gamble at the venue where you work.

I don't think it's causing problem gambling, but other studies in the United States suggest very similar figures.

The Chair: Thank you, Mr. Bisson. Government member.

Ms. Smith: I'm just going to pick up on that last statement. Twice now you've said, "Significant numbers who work in casinos in Ontario are problem gamblers." Now I understand you're basing that on your graduate student's thesis, through her observations at a casino in Lethbridge. Is that correct?

Dr. Williams: Let me flesh that out. First of all, there have been two or three major studies of the demographic characteristics of casino employees.

Ms. Smith: Where are those studies?

Dr. Williams: There have been two or three major research studies of the demographic characteristics of problem gambling status of casino employees. Major studies have been done in the United States, and my studies in Alberta have basically confirmed those findings.

Ms. Smith: What we heard this morning from representatives of the OLG is that it's one of the most highly regulated industries in North America—in Ontario. So you have no studies that prove this kind of finding in Ontario. Is that correct?

Dr. Williams: That's correct, although I'd be willing to bet that there would be a significant portion—

Ms. Smith: I think you mentioned that you'd be "willing to bet" a couple of times in your presentation.

I want to take up some of the information you also provided us on the methodology of your study, that 3% to 5% of problem gamblers provide 35% of the revenues.

You've said that was based on problem gamblers' diaries. How many people were part of that study?

Dr. Williams: The prospective diaries had several hundred people, but let me give a bit of context to that. We had done retrospective studies on every single province. Every single province has done prevalence studies of problem gamblers. We found that when you look at that percentage, it's roughly 25%. The fly in the ointment there was that reported expenditures were twice as high as actual revenues. That's what prompted us to do the prospective diaries.

The sample size for the prospective diaries was only a few hundred, but there was a perfect match between the projected revenues and actual expenditures. Furthermore, the most important thing from that was that the degree of exaggeration and minimization for each type of gambler was equivalent, meaning the two-to-one ratio found in our secondary analysis of all provincial studies means that the proportion of 35% is still accurate. That is based on about 30,000 people.

Ms. Smith: But the actual diaries you reviewed—your sample size was in the hundreds, not the thousands, and that's across Canada; is that correct?

Dr. Williams: It was in the hundreds for Ontario, but again, it corroborates a Nova Scotia finding, it corroborates an independent study in Alberta, it corroborates our secondary analysis of 30,000 gamblers. I'm not hanging my hat on 35%. What I am hanging my hat on is, it is the best estimate we have right now, and it adds to converging lines of evidence that a significant proportion of the gaming revenue in this province—

Ms. Smith: Okay. I have a number of other questions, so I just want to keep going. You mention that the problem gambling initiatives that have been undertaken in Ontario have been "largely ineffective," and that's your quote. Do you have any empirical data to support that?

Dr. Williams: I just gave you some.

Ms. Smith: No, but do you have any studies specifically on the problem gambling initiatives that have been introduced in Ontario?

Dr. Williams: First of all, there have been lots of studies of these gambling initiatives in other jurisdictions, using pretty much the exact same format. I think it's a real deficit there haven't been specific studies of these particular initiatives that have any empirical validity in this province, but because you have the exact same procedures being implemented in other jurisdictions and there have been scientific studies of this, it's a very easy inference that the same results apply here.

Ms. Smith: You have done some studies in Ontario. Who funded those studies?

Dr. Williams: The Ontario Problem Gambling Research Centre.

Ms. Smith: And the Ontario Problem Gambling Research Centre is funded by whom?

Dr. Williams: The Ontario government.

Ms. Smith: The Ministry of Health, but we heard this morning that much of that funding comes through the OLG.

You stated that it was difficult to monitor the thousands of people who have signed problem gambling contracts with casinos in Ontario. Do you have any empirical data as to how many of those contracts have actually been signed in Ontario?

Dr. Williams: Yes. I don't have it with me, but it's in the thousands.

Ms. Smith: Do you have any empirical data on how many of those have been turned away or have been identified through the screening that is done in the casinos in Ontario?

Dr. Williams: Yes, I do. I don't have it with me right now, but I've conducted a major review article, self-exclusion policies around the world, including Ontario stats.

Ms. Smith: Okay. You talked about the education of the staff. Are you aware that there are different levels of education for different levels of staff in the casinos in Ontario?

Dr. Williams: I'm very aware. I've been involved in some of the initiatives, not in Ontario but in other jurisdictions.

Ms. Smith: Sorry. "Not in Ontario but in other jurisdictions." Was that your answer?

Dr. Williams: Right, but—

Ms. Smith: Sorry. Were you aware that the Centre for Addiction and Mental Health was involved in the development and implementation of those training programs for the staff?

Dr. Williams: Yes, I was.

Ms. Smith: And still you believe that they were ineffective?

Dr. Williams: The research on this, and there's been some research, suggests that it does for a portion of the staff increase their knowledge and potential sensitivity to problem gambling issues. Again, it doesn't discount the fact that for a significant subgroup they already know this stuff. However, whether it results in an actual increased number of referrals to treatment agencies or interventions is much more equivocal. In fact, there's no evidence that it does.

The Chair: To the official opposition.

Ms. Scott: I'll try and follow up on that line of questioning.

The Chair: You have four minutes.

Ms. Scott: Okay. For the training sessions for staff, Ms. Smith pointed out in depth of how the staff is trained, and you're saying that 25% of the casino staff are problem gamblers themselves. Can you elaborate on maybe what changes you would like to see?

Dr. Williams: I believe most casino employees have to have a criminal records check and have to be bonded, but it would be a simple matter of screening for problem gambling status. I think it's just very bad. You wouldn't hire alcoholics to—you shouldn't be hiring problem gamblers. It's a simple matter of screening the problem-gambling status for your employees.

Ms. Scott: Can the screening for problem gamblers be done easily? How do you identify the problem gamblers,

and what research do you have that says that 25% of the casino staff are problem gamblers, just to clarify where your research came from?

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Dr. Williams: The best screen right now is the Canadian Problem Gambling Index. That would be the screen that I would suggest implementing to screen employees. Again, the research on problem gambling status of employees comes from Harvard University in the United States, as well as research we've done in Alberta. It was my graduate student's thesis to do a comprehensive study of the problem gambling status of casino employees in Ontario. The results corroborated what was found at Harvard University. Again, two main findings: A significant portion are problem gamblers, but secondly, they are attracted to the industry, as opposed to the industry causing the problem gambling status.

Ms. Scott: You said that you didn't think \$36 million—was it \$36 million that's in the fund?—was enough? How do you know what's enough, what's not enough?

Dr. Williams: I'm saying it's disproportionate to the amount that comes from problem gamblers. That's only 2% or 3% of what likely comes from problem gamblers and it's only perhaps one thirteenth of what's spent on promoting the product. So I'm not sure that putting more money in there is the solution. I think the solution is decreasing the financial draw for the problem gamblers and decreasing the percentage of the populace who are problem gamblers. We know that people aren't knocking down doors because there are long treatment lines. A lot of problem gamblers don't seek treatment. So more money is not necessarily the issue. It's decreasing the financial draw for problem gamblers.

Ms. Scott: One last question: You said that the term "responsible gaming" is kind of an oxymoron. What would you change that to?

Dr. Williams: The Responsible Gambling Council of Ontario calls it the Responsible Gambling Council of Ontario. I would call it responsible gambling.

The Chair: Dr. Williams, thank you very much for taking the time, making your presentation and responding to members' inquiries. We appreciate your coming to us from Lethbridge, if I followed correctly. I'll say one more time, if you would be so kind as to send the slide show, the PowerPoint presentation, through the clerk's office, we'll distribute it to the members.

Dr. Williams: I'd be happy to. Thanks for the invite again.

The Chair: Thanks for your time, sir. We'll now proceed to our next presentation, Robert—

Mr. Bob Delaney (Mississauga West): On a point of order, Chair: Is it possible for legislative research to ask the gentleman for some of the studies to which he referred?

The Chair: Is there anything that jumped out or do you want him to go back through?

Mr. Delaney: He referred continually to data that he didn't have on hand. With the benefit of the data to

which he referred, could we ask that legislative research request from him copies of the studies that he referenced?

Mr. Johnston: I'll go over the Hansard.

The Chair: The researcher will go through Hansard and see what the specifics were. Why not just ask Dr. Williams if there are items that he had referenced offhand that he wanted sent to committee? We'd be glad to distribute those to the committee members. So we'll approach it from both of those fronts.

ONTARIO PROBLEM GAMBLING RESEARCH CENTRE

The Chair: I just want to make sure, is Mr. Robert I. Simpson with us? Mr. Simpson, please come forward. I'm sorry I didn't see you there. Mr. Simpson, the chief executive officer of the Ontario Problem Gambling Research Centre, OPGRC. How do you pronounce that acronym?

Mr. Robert Simpson: It's the world's most difficult to remember and pronounce.

The Chair: Mr. Simpson, you've been kind enough to join us. We appreciate your attendance here today. You're welcome to make some opening comments—your advice to the committee as it considers the Ontario Lottery and Gaming Corp.—up to 15 minutes of time, and any time that is left within the half-hour block will be allocated to the three caucuses equally, this time beginning with the government members. Sir, the floor is yours.

Mr. Simpson: Thank you for inviting me. I have a prepared presentation and it will certainly be far less than 15 minutes, I think.

By way of beginning, I'd like to give you a little background about the centre. The Ontario Problem Gambling Research Centre was established in the year 2000 as an arm's-length agency of the government of Ontario. Its mandate is to fund research that has four outcomes: (1) It describes the nature and extent of gambling and problem gambling in Ontario; (2) it identifies the correlates and the causes of problem gambling; (3) it determines the most effective measures to prevent problem gambling; and (4) it assesses the efficacy of current and innovative treatment approaches.

The centre's arm's-length status acknowledges that government, as the major beneficiary of gambling revenue, may be perceived as inherently in conflict of interest. In order to maintain the credibility and integrity of gambling research, the centre operates independently, governed by a dedicated set of bylaws, and a board of directors that makes all decisions regarding priorities and funding. The centre's policies and procedures meet the highest standards of scientific research, as confirmed by two independent reviews to date, one by the federal Canadian Institutes of Health Research and one by an agency commissioned by the Ministry of Health and Long-Term Care.

The centre—and I need to say this at the beginning, because we've been portrayed as being potentially anti-

gambling—views gambling revenue as a public good. It recognizes the right of government to provide gambling opportunities and the right of individuals to participate. The centre's mandate addresses the harm arising from gambling participation and, through its investment in research, the reduction of such harm.

In terms of problem gambling, the most recent study of problem gambling prevalence found, first of all—and this is quite interesting, I thought—that gambling participation among adults—these are people 18 plus—dropped from 83% in 2001 to 63% in 2005. So the number of adult gamblers in Ontario has dropped over that period from 7.3 million people to just about six million Ontarians.

Second, the prevalence rate, among those who gamble, for moderate-to-severe gambling problems rose over that same period from 4.6% in 2001 to 5.5% in 2005. So we have fewer people gambling, but of those who do gamble, a higher proportion are experiencing moderate to severe problems.

Three, the prevalence rates translate to 340,000 people in Ontario who were moderate to severe problem gamblers in 2001, and with those two changes in 2005, we have 330,000 estimated moderate to severe problem gamblers.

We tend to think of gambling problems as something we brush off and don't think about too much, but gambling-related harm—and my background is in alcohol, tobacco and other drugs, and in relation to those, gambling-related harm is profound. It affects physical and mental health, work productivity and legal well-being. The associated financial harm to these individuals can liquidate savings, retirement funds, home equity, and involve tens of thousands of dollars in external debt. Financial harm is often long term and, for some, can permanently and significantly reduce the quality of life not only for the problem gamblers but for their families as well. Once debt has mounted to these significant levels, treatment is no longer a solution. No amount of treatment can fix that problem. All it can do is try to get you to gamble less or not gamble, but that financial burden will be with you, in some cases, forever. So treatment is not a solution in the sense that it is for alcohol problems or even for smoking.

Having said that as a preamble, the relationship between the centre and OLG has transitioned over the past six years through three stages:

Phase 1: Initially, the centre was viewed with disinterest, with the only communication occurring in the form of a single meeting at the request of the centre to make staff introductions.

Phase 2: Following the departure of the original CEO, a second meeting was held, again at the request of the centre, and this time with the acting CEO and the chair of the board. The centre's purpose in this meeting was to share concern that the OLG might be at risk of liability action from patrons who registered with the Winner's Circle loyalty program and subsequently lost substantial amounts of money. The centre's representatives brought

a list of suggested research-testable responses intended to reduce such exposure. Candidly, the reception could best be described as acrimonious on the part of the OLG chair, who essentially suggested that the centre should stick to research.

However, as a result of this feedback, the centre did fund a legal research study to examine the possible liability exposure of a gambling provider in Ontario. By the way, I am the only expert witness in Ontario on alcohol-related liability. I testify in cases against bar owners and what have you, having developed the server intervention program in a past life. Two major findings of this study were (1) that two potential areas of liability exposure do exist, and (2) that an individual plaintiff action is more feasible than a class action.

Phase 3: With the appointment of the current CEO—I'm tempted, as a joke, to say things went to hell, but they didn't—relations have become substantially more cordial, and beneficial collaboration has been established. Upon request, the centre has provided advice in a range of areas, including: theory-based justification for the new corporate tag line, "Know your limit, play within it"; an analysis of the weakness of the current self-exclusion program, along with possible solutions; conceptual and wording recommendations for OLG's responsible gaming strategy; conceptual orientation and text for current prevention brochures and radio ads; and a disinterested analysis of the impact of the provincial smoking ban—at the time, it was pending.

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Last year the centre joined other provincial agencies in signing a memorandum of understanding with OLG. In our case, the MOU spelled out areas of co-operation where OLG would facilitate research funded by the centre and the centre would standardize briefings and communication protocols with OLG. Equally as important, the two CEOs adopted a communications protocol for the resolution of any difficulties we experienced.

Finally, and this is perhaps the most significant of all, at present the OLG and the centre are about to launch a significant harm reduction initiative—I would be tempted to say the most significant initiative ever undertaken in the gaming world. This jointly funded research project will identify high-frequency gamblers and test an intervention intended to cause them to self-reflect and, as appropriate, to self-refer to a controlled gambling treatment program. If the evaluation of this initiative is positive, it will separate Ontario from most industry initiatives to date anywhere in the world, much to Dr. Williams's pleasure. Both organizations have indicated their intention to undertake additional substantive research initiatives in the immediate future.

A quick personal assessment: OLG, in my opinion, is making the transition toward taking effective action to reduce the unintended and regrettable harm that accompanies the provision of gambling. My observation is that OLG is motivated by a genuine desire on the part of key employees to reduce such harm. It's further motivated by corporate responsibility to identify and manage fore-

seeable risk to the revenue generated for government and the people of Ontario. Both types of motivation are commendable.

Finally, a policy recommendation, and this is my final word: To support OLG's efforts to reduce harm, government must consider a fundamental policy change. Currently—and we've had quite a bit of dispute about this, but I will defend to the hilt the Williams study—about 35% of gambling revenue is derived from the 5.5% of customers who are problem gamblers. By the way, that 5.5% sounds a little higher than what you've heard. We put that over the number of people who gamble; we don't include in that those who don't gamble. It would be like portraying pregnancy rates and including men in the denominator. We only put it over gamblers. There are six million gamblers, and of those, 5.5%, more than one in 20, are problem gamblers. There's no escaping the basic relationship: As revenue increases, so does harm. Conversely, effective prevention and early intervention types of treatment will necessarily reduce revenues.

To support the reduction of harm, government must reduce the pressures on OLG. It must move from a revenue maximization model to one of revenue optimization, where an appropriate balance between revenue and harm is achieved. I urge this committee to bring forth such a recommendation.

The Chair: Dr. Simpson—

Mr. Simpson: I'm sorry. It's "Mister."

The Chair: Sorry about that. You convinced me that you were, sir. Mr. Simpson, thank you very much for your presentation. That leaves about six minutes per caucus, beginning with the government side.

Mrs. Mitchell: I just want to thank you for your comments. "Commendable" was the word that you applied to the OLG. You talked about a lot of the good work that they have done, and you have recognized that. What I would like you to do for me is to describe your relationship with the OLG. This is in respect to the MOU that you signed. Could you further expand on that?

Mr. Simpson: Much research has to be done with the co-operation of the provider: getting access to facilities, being able to approach people leaving facilities, getting access to data sets—even getting access to the lab where they have slot machines that are being tested so that we can set up experiments outside of a casino. What we formally did was establish the procedures by which that will happen, which gives us a tremendous advantage over other jurisdictions in Canada. So on our side, that's what we got out of the MOU. On OLG's side, they can now ask for advice, either on record or off record—"Candidly, what do you think of this or that?"—and we're prepared to do both of those.

Secondly, when a report is about to be released that we anticipate OLG would like to know about so that it can manage the response, we have protocols to brief staff on the findings and to assist them in interpreting those and perhaps help with developing responses. We did have a problem around the release of one study before these protocols were in place where OLG felt that it was

blindsided. As a result of that, the two protocols between the CEOs were established, where Mr. Brown can call me directly and I can call him, and we solve those problems before they become serious.

Mrs. Mitchell: And you had input into the development of the code of conduct for the OLG?

Mr. Simpson: Yes. Very minor, but we made comment on it, and we commented favourably.

Mrs. Mitchell: So you did support moving forward with the code of conduct and you did have input into that?

Mr. Simpson: Yes. I recognize also that input is advice, not direction, and we don't get upset when our advice is not taken.

Mrs. Mitchell: No, but I think we also have to recognize that when input is provided, the decision is to be made, but it's also things that we weigh when we have input into that decision. So you were given the opportunity to provide input, which you did, and then they moved forward with the code of conduct. It would be fair to say that the OLG has made huge strides in creating a responsible gaming environment with the launch of the code of conduct?

Mr. Simpson: I think it kept them abreast of what's happening in the field, the standards of the field. The true great strides, the differentiating of OLG with potentially highly effective initiatives, will be the project that I alluded to. I haven't given you much detail because it's yet to be accepted by the board of OLG, but I think my excitement should suggest that I'm very bullish on it.

Mrs. Mitchell: Your excitement does and you also have talked about how their conduct has been commendable.

Mr. Simpson: Yes.

Mrs. Mitchell: And you did mention your harm reduction initiative. I see that as a very strong working relationship, and you have made many strides in developing a strong partnership. That's clearly what I hear.

I also wanted your response on jurisdictions within Canada and the US. Who is doing more in the area of responsible gambling than the province of Ontario?

Mr. Simpson: Nobody.

Mrs. Mitchell: I think that's part of the discussion that also needs to happen. If Ontario is leading the way, and we do it in partnerships and through input, I think there should be recognition for that as well.

Mr. Simpson: There is. You left out Australia, where a number of innovative programs are under way, such as looking at cards, as Dr. Williams suggested. I would put a small proviso in there: Nova Scotia is reducing the number of VLTs. Now, in Nova Scotia they're in bars, so it's a hard parallel to make, but the government has actually moved to the revenue optimization model by removing some of those, and Quebec is thinking about it. But by and large, the initiatives under way and under consideration in Ontario place Ontario as the world leader.

Mrs. Mitchell: I believe that when comments are made, that also should be recognized, all the hard work that has gone in to make Ontario lead the way.

Mr. Simpson: I agree.

Mrs. Mitchell: Do you think it's fair to say that the OLG has an open and very positive relationship with most of the provincial stakeholders of what you provide input on, I'm sure, to other provincial stakeholders?

Mr. Simpson: I think that's a fair statement, yes.

Mrs. Mitchell: Just so we give you a little opportunity—and I understand the restrictions that you have, but would you like to expand? You seem to be very enthusiastic about your reduction initiative. Could you expand for us? I realize the restrictions, but if you could expand somewhat.

Mr. Simpson: I alluded to the legal study where they identified two areas of liability. One is with the Winner's Circle loyalty program, where you track people's utilization and know how often they come and how much money they lose. That could be seen as a foreseeability capability the organization has. So we're looking at ways of contacting people who are frequent players and designing an intervention intended to cause them to self-reflect—very well designed, according to health theory and health motivation—and to make it very easy for them, if they reflect that “Maybe life is better if I gambled a bit less,” to confidentially hook up with a controlled gambling program as opposed to an abstinence program. If your problem is that you eat too much, the solution is to eat less, not to stop eating. So with these people we're not saying, “You're an out-of-control, crazy gambler”; we're saying, “If life would be better if you cut back a little, this program will help you to stay safe.”

The initiative that identifies, that motivates and then attaches to an appropriate form of treatment is the package that has never been done anywhere else.

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The Chair: Thank you, Mrs. Mitchell. The official opposition.

Ms. Scott: Thank you very much for appearing before us today and for your informative presentation. I'll just follow up a little bit on that. It's about identification of problem gamblers, and I asked the question of our previous presenter. Can you give us a test case of who would be identified as a problem gambler, and with the new program, what they would go through? Just pick one—I don't know, is it slot machines that are most identified with problem gambling?

Mr. Simpson: As Dr. Williams said, electronic gaming machines and Ontario slot machines are the most frequent type or sort that we would have. They seem to have a greater dependency-forming capability than other forms of gambling, so we have to be particularly worried about people developing impaired control with these machines.

The initiative we talked about will very much focus on those people. OLG is looking at a way of intervening with folks we know are the most vulnerable, with the potentially most dependency-forming type of gambling.

The average person would be anybody. It's my daughter's friend's mother on the soccer team who confides to my wife that she's really tired because last night

she sneaked out of her house to go to the Mohawk slot parlour to play until 3 a.m., unbeknownst to her husband, sneaked back in, and she's tired at the game. She's a normal, middle-class person living in Guelph.

There is no way to say that this person looks more like a problem gambler than that one, just as you can't say that about problem drinkers. We will, through this program, identify all those people who have that nagging thought, “I wish I could cut back a little. I wish I played a little less,” and give them an easy, effective solution with a little bit of prompt.

Ms. Scott: Would the treatment program be different, once they were identified, by whichever means they were identified, whether they came themselves or whatever? What type of treatment would they receive?

Mr. Simpson: The treatment program is state-of-the-art cognitive behavioural therapy. It helps people set goals as to how much they would like to spend. It develops new ways of thinking, cognitive therapy; and new ways of behaving, behavioural therapy. You learn the skills to stay within the goals you have set as the client—a very well-established way of helping people to get their behaviour to conform with their desires and their best interests. We're very confident they'll get what they need.

In the area of alcohol problems, where I designed a similar program, two-year success rates were in the vicinity of 70% of people learning to drink within guidelines or limits that they had set for themselves. We're very optimistic that if we can get people to go to this program, they will serve themselves well.

Ms. Scott: Where do you think the program would be delivered?

Mr. Simpson: The pilot site will be in Waterloo region and Wellington county. We chose an area. The program is available there.

Ms. Scott: How many people do you have capacity for in the initial pilot?

Mr. Simpson: It's a research project. The evaluation will look at anything from 100 to 200 people. That will give us a large enough sample for the statistical analyses we want to do.

Ms. Scott: You said there are 330,000 moderate-to-severe gamblers. That's who you're identifying, basically?

Mr. Simpson: Yes.

Ms. Scott: That's very fascinating. Did any other country do that, or is our state-of-the-art program the only one?

Mr. Simpson: No. I anticipate OLG will be invited around the world to talk about this.

The interesting thing is that when one jurisdiction does it, the others pretty much have to follow suit because they're not meeting a standard that has been set by one. I have a secret hope that Ontario will be the jurisdiction that's emulated around the world as a result of this project.

Ms. Scott: That's fascinating; that's great. We'll be waiting to see the results. Hopefully we'll be the pilot project for a lot of countries around the world.

You mentioned—was it Dr. Williams's study?

Mr. Simpson: Yes.

Ms. Scott: Dr. Williams, the previous one. When you were mentioning some initiatives from before—I know the government commissioned a report, the Sadinsky report. Are you familiar with the Sadinsky report and the recommendations?

Mr. Simpson: Yes, I am.

Ms. Scott: Do you feel that, as a government, they've given enough resources or been following the Sadinsky report enough according to the Ontario Problem Gambling Research Centre?

Mr. Simpson: The research centre asked for what we thought was an optimal amount of funding to disburse, which was \$4 million, and they awarded \$4 million. We are resourced adequately. There isn't the research capacity to invest more money per year, so this gives us high-quality research. We are the largest producer of research worldwide, the single source in Ontario, and we are the best-funded research agency worldwide. So yes, we're happy with that amount, and we're not asking for any more.

Ms. Scott: When you said one in 20 gamblers is a problem gambler, is that statistic—we've heard a lot of contradictory statistics today—a number that keeps coming up in different provinces, different countries, that one in 20 is a moderate-to-severe gambler?

Mr. Simpson: Yes, right across Canada, that's a fairly consistent number. Right across Canada, we use the same instrument, the Canadian Problem Gambling Index, CPGI, so we know we're measuring using the same criteria, and we administer it the same way, and that has been done in almost every province. The problem gambler rates are pretty close right across the country. Some variation might be accountable because they have VLTs when we don't in Ontario, but by and large, they're the same. You will hear lower numbers, and usually that's because the denominator is all adults or in some cases all people, including children, which, as I suggested before, is the wrong way to measure it.

Ms. Scott: Thank you very much.

The Chair: Mr. Bisson.

Mr. Bisson: I have a couple of questions. I was actually surprised by some of the numbers you were quoting, and I just want to elaborate on some of them. In the one, you're saying that 35% of revenue is derived from 5.5% of the customers. That's somewhat similar to what Dr. Williams was saying.

Mr. Simpson: That is Dr. Williams's result.

Mr. Bisson: Are you saying that is the actual number?

Mr. Simpson: I am saying that, and I'm saying that has been peer reviewed, and you can take it to the bank. By the way, that's no different than alcohol. If you look at the problem drinkers, they account for about the same proportion of alcohol revenue.

Mr. Bisson: Is this including lottery sales and casinos?

Mr. Simpson: All forms of gambling, yes. As Dr. Williams pointed out—I don't think he made the point as

clearly as he might have—when you survey a bunch of people that's a representative sample, the first question you ask, when they report their expenditures, is: What was the average expenditure they reported? Someone will say, "Oh, my wonderful survey got \$300 per person." Well, we know in Ontario the average expenditure per gambler is \$790. So they haven't accounted for more than half the money that is spent. In my opinion, that represents garbage into the survey, because you're not accounting for more than you did, whereas Dr. Williams's study was one of the two best that we have in Canada to align the average expenditure of the surveyed people with the actual average expenditure.

Mr. Bisson: You also say that we went from 4.6% with a severe gambling problem in 2001 to 5.5% in 2005. What accounts for the increase, in your view? Is it just the proliferation of casinos, or is there anything else?

Mr. Simpson: I mentioned before that there's an inextricable relationship between revenues, the average amount spent, and the number of heavy gamblers. That's the same with alcohol, it's the same with gambling. The more heavy gamblers you have, the more problem gamblers you have. So that is, in all likelihood, a result of the average expenditure going up, which has a ripple effect on the number of heavy gamblers, which predicts the number of problem gamblers. That's what it's all about. So when I suggest we have to lower our revenue expectations, that is the only way this jurisdiction—

Mr. Bisson: That wasn't my question.

Mr. Simpson: I'm sorry.

Mr. Bisson: My question was, since there are more problem gamblers today percentage-wise than there were in 2001, is that because we've made more casinos and more games available or is it for some other reason?

Mr. Simpson: It's because we have more gambling opportunities and because people, on average, are spending more.

Mr. Bisson: One of the recommendations that was made by Dr. Williams—and when I first heard it, I thought, "Boy, that's kind of impractical," but I want to hear your thoughts—is that for those people who put themselves on the black list, and I don't know what you call it—

Mr. Simpson: The self-exclusion list.

Mr. Bisson: —the self-exclusion list, he was suggesting that at the very least we should have picture ID for people to get into a casino. I know that would be very effective, but my question is, is that practical?

Mr. Simpson: I'll give you my personal opinion here. I don't think OLG or any gaming provider should be in the business of running a self-exclusion program. What it does is take someone who is a problem gambler, who is unable to control his or her behaviour, and asks someone else to control their behaviour for them or to participate in that.

Mr. Bisson: You're coming at it from the other perspective.

Mr. Simpson: I want to put that into treatment, where when you go to treatment, one of the skills you learn is to

stay away from high-risk situations. It's the same thing we do with alcohol; it's the same thing we do with smoking cessation. Give them that power internally rather than encouraging them to give someone else jurisdiction over their behaviour.

1430

Mr. Bisson: Because self-exclusion—I know a couple of people who have gone on that list voluntarily in the Sudbury racetrack one. It has worked for them. They've had to literally go and get themselves barred. Now, I imagine, because a casino is smaller, it's a lot easier to monitor. So it seems to me there's some worth in the self-exclusion list. I'm asking how you make sure somebody who goes on the list doesn't end up in a casino, and you just disagree with the premise.

Mr. Simpson: I think it's the wrong way of doing it. I think what you want to do is develop the strength and capability in the individual.

Mr. Bisson: Fair enough.

The Chair: Gilles.

Mr. Bisson: You kind of threw me off there.

The Chair: Sorry. I apologize.

Mr. Bisson: Hang on a second. I was just about to ask you something, and I diverted my attention to the Chair. That was—don't you hate when that happens? Oh, my God. I hate when I do that. I know I'm getting older. That's what's happening to me.

The Chair: I think it's just that the Chair is very distracting with this new tie on.

Mr. Bisson: It's that tie over there. That's what threw me off. I thought you were the WHMIS sign. Sorry, Tim. Just joking.

The Chair: All right. Thirty seconds now.

Mr. Bisson: Oh, God. If I remember, I'll go and talk to you afterwards. Thanks anyway.

The Chair: Sorry about that.

Mr. Simpson, thanks very much again for your presentation and being part of our committee process today. I'll say to you and the other members who are still with us that this will all form advice for the committee, which will be tabling a report to the Legislative Assembly on the three agencies that we are reviewing. That report will be publicly available.

Mr. Bisson: I remember the question.

The Chair: Go ahead. You take your two minutes.

Mr. Bisson: There was a case in Hamilton where a guy who was the manager of the Copps Coliseum—you know the story. I'm not going to tell it. It's too long. Where is that in litigation? That's what I wanted to know.

Mr. Simpson: I have no knowledge.

Mr. Bisson: No idea? Okay. Thanks.

The Chair: That was anti-climactic, wasn't it?

Mr. Bisson: It's just because you talked about the whole issue of liability and that individual lawsuits are more likely to be successful. So I was just wondering where that was at.

The Chair: Okay. Super. Glad we got that on the record.

Again, Mr. Simpson, thank you very much for the presentation and being part of our committee process.

Mr. Simpson: My pleasure.

The Chair: Folks, just as we did yesterday, we'll give Mr. Gough and Mr. Brown an opportunity, if they want to, to add any additional comments. This afternoon, we concentrated basically on problem gambling. We heard a few different viewpoints on that. Mr. Rutsey also brought some points forward on the challenges of the gaming business in the future and the administration side. So if you have any follow-up comments, please go ahead.

Mr. Gough: Mr. Chair, I don't think we have any additional comments or rebuttals. They were informative and useful presentations. There was information in each of them that will cause us to go back and see what we can usefully learn from them. I don't propose to rebut several of Dr. Williams's more contentious statements. I think that was adequately done by other presentations, by Mr. Rutsey and Mr. Simpson. As a result, we have no additional comments or rebuttals to make to the committee.

The Chair: I'll ask my colleagues. We heard some presentations. I'll limit time here, but if it's the pleasure of the committee, we could ask some follow-up questions.

Mr. Bisson: A very quick question.

The Chair: Seeing no objections, go ahead.

Mr. Bisson: The 35% number, 35% of revenue coming from 5%—

Mrs. Mitchell: Are we opening up for questions?

The Chair: Just a short period, if you want to.

Mr. Bisson: Can you comment on that? You guys know where your money comes from. Are you willing to comment on that?

The Chair: I was looking for any objections.

Mr. Bisson: He did ask.

The Chair: I did. I was trying to get the pleasure of the committee. I didn't see any response.

Mr. Gough: Without going into Mr. Simpson's presentation, the limitations on the findings that are contained in Dr. Williams's study say the proportion of revenue from severe gamblers is very tentative because of the small number of severe problem gamblers completing diaries. There were 32 diaries completed. There's some question as to whether gaming by people at moderate risk from gaming should even be included in the 35%, and that's not universally accepted. I don't think anybody is arguing at the 1%, 2% to 4% moderate risk, but there's serious question among those who study it as to whether moderate gamers should be included.

Mr. Bisson: Just one more very quick question on the self-exclusion issue. There was a suggestion by Dr. Williams that you would have to card people at the door. How practical is that?

Mr. Brown: Frankly, it's not very practical. We believe that the approach that Mr. Simpson is advocating is the one that's ultimately going to be most effective for the people who are at risk.

The Chair: Anybody else? Good, super.

Mr. Gough and Mr. Brown, thank you very much for the presentations. Also, you can relate back, unless you were both hard at work until midnight last night, a thank you for the binders that were put together by the OLCG. They thoroughly responded to the questions of the committee members. I know that's a lot of work to put those together, so thank you for that as well. We'll look forward to working together as we move forward on the report.

Mr. Bisson: There's other business. It's about tomorrow. One of our presenters is not able to make it and we want to switch somebody around.

The Chair: This is the 1 o'clock?

Mr. Bisson: Do you want a motion or are we just going to accommodate them?

The Chair: I'll let members of the committee be aware that we have a cancellation at 1:30 tomorrow. Robert Reid has cancelled, so we were planning on moving the Association of Major Power Consumers in Ontario from 1 p.m. to the 1:30 slot and that will give a longer break period between noon and 1:30 for committee members. We thought that was a lot better than interrupting the committee for half an hour or calling five different groups to move them all forward by half an hour.

Mr. Bisson: What I was going to ask is if we can have Mark Holmes from the Ontario Forestry Coalition present at 4, considering that was one of our—it's our hearing, right? It was our pick, and this particular person who was going to present can't make it.

The Chair: He was?

The Clerk of the Committee: Yes.

The Chair: I don't want to do it at 4 p.m. That takes us beyond the hours that we've set. What we would have to do is try to see if Mr. Holmes could fit into the 1:30 slot or the 1 p.m. slot.

Mr. Bisson: It's my understanding there's a problem with that.

The Clerk of the Committee: It would be 1 o'clock.

Mr. Bisson: My understanding is there's a problem with 1 o'clock. It's a question of scheduling. There are some things that are going on, and what we're asking is if we can accommodate him at 4. We were here yesterday till 5.

The Chair: The problem is that that throws us outside of the hours that the committee had agreed to, between 10 a.m. and 4 p.m. So unless Mr. Holmes can change his schedule and come in at an earlier slot or if somebody doesn't show up and he can fit it, but I'm not interested in keeping this committee beyond 4 p.m.

Mr. Bisson: Can I try a friendly motion that we accommodate him at 4 o'clock? I'll move it as a motion.

The Chair: You're welcome to put a motion forward, Mr. Bisson.

Ms. Smith: Could I ask a question?

The Chair: Sure.

Ms. Smith: Would he be available at noon? He could present at noon. We could do the lunch break from 12:30 to 1:30 and then start up.

Mr. Bisson: That's a good question.

Ms. Smith: I'm just trying to stay within our day.

Mr. Bisson: Well, we sat till 5 yesterday with extra business. We did our appointments review—

The Chair: Yes, but that was a special circumstance to get two long-standing interviews completed. We had agreed among the subcommittee for some time to end at 4. You're welcome, Mr. Bisson, to put a friendly motion on the floor. If the committee members feel differently than the Chair, they can extend past 4 o'clock, but I do want to remind you that we have agreed for some time that these would be the hearing hours, and members may have allocated their schedules accordingly.

Ms. Smith: Sorry. Do you know whether this group is even on the list for tomorrow?

The Chair: He's asking, since there's a cancellation of one of the NDP requests—

Ms. Smith: Oh, this is an add-in?

Mr. Bisson: Yes.

Ms. Smith: Somebody just needs to reschedule—

Mr. Bisson: It's because one of the ones we were going to present can't make it tomorrow. Something's come up. So we want to basically put somebody else in. That's what we're trying to do.

The Clerk of the Committee: Who again?

Mr. Bisson: Originally it was the—I've got to go through the e-mail here. The great thing about Black-Berries—hang on, it's all the way at the bottom. Robert Reid, yes.

Ms. Smith: Who's your new person?

Mr. Bisson: It's the forestry coalition. Mark Holmes from the forestry coalition.

The Chair: Again, we had a cancellation from one of the requests from the third party. Mr. Reid cancelled. He let us know that. So we have a slot open.

Mr. Bisson: The first thing is that we have no problem slotting him in. The question becomes, we may not be able to do it at 4, depending on what the committee wants to do. That's what I'm hearing right now.

The Chair: Right. The committee has agreed for some time to end these hearings at 4 p.m. and have probably made their scheduling decisions accordingly. So I was not, as Chair, willing to extend past 4 o'clock. If we could fit him in at 1 o'clock, terrific. Even as Ms. Smith said, if you want to put him at noon, that will still give us an hour break for lunch, but—

Interjections.

Mr. Parsons: I don't believe we ever agreed to substituting. There was a cut-off date for parties to put forward stakeholders.

The Chair: To be clear, we did have notice last week, I believe it was, that there were some groups who couldn't be here, and I had given direction to the clerk—I sent her an e-mail—that we would allow substitutions to take place. That was given to all three parties. So substitutions are well within order. However, what the issue gets down to is that Mr. Holmes sounds like he's only available at 4 p.m. As Chair, I'm not willing to extend the hearings past 4 p.m. Mr. Bisson, you're welcome to put a friendly motion on the floor.

Mr. Bisson: That's what I've just tried to do.

The Chair: Okay. Mr. Bisson has put a motion on the floor that the committee be extended past 4 p.m. to allow Mark Holmes to appear before the committee. He needs unanimous—no, a straight vote. Any debate on this?

Mr. Bisson: Recorded vote.

Ayes

Bisson.

Nays

Milloy, Mitchell, Parsons, Scott, Smith.

Mr. Bisson: That's pretty interesting. So you're saying that if he can make it before 4, not a problem.

The Clerk of the Committee: Correct.

Mr. Bisson: All right. We'll see what we can do.

The Chair: Let's be clear. The only current slot that's available is 1 p.m., because we had the cancellation. AMPCO is now at 1:30, so there's a 1 o'clock slot open. We can fit him in there, according to our rules, at 1 p.m. If he can't make it at 1 p.m., we have—

Mr. Bisson: Okay. We'll work with that.

Mrs. Mitchell: We're willing to fluctuate during the lunch hour.

Mr. Bisson: Yes, I know. I hear you.

The Chair: I'm just saying there's really no guarantee, right?

Interjection.

Mr. Bisson: Yes, he's going to go back and see if we can work all this out, then hopefully—

The Chair: I'm trying to be as accommodating as I can within the time frame we've been given.

Mrs. Mitchell: Our lunch is fairly fluid.

Interjections.

The Chair: Gilles, the advice from the Chair is there's an hour and a half between noon and 1:30. Hopefully he can be here at noon or he can be here at 1 o'clock.

Mr. Bisson: Yes, not a problem.

The Chair: Okay, folks, we are then adjourned until 10 a.m. tomorrow morning. We will be in committee room 1 for Hydro One.

The committee adjourned at 1441.

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Deuxième session, 38^e législature

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Standing committee on government agencies

Agency Review:
Hydro One

Comité permanent des organismes gouvernementaux

Examen des organismes
gouvernementaux :
Hydro One

Intended appointments

Chair: Tim Hudak
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Nominations prévues

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STANDING COMMITTEE ON
GOVERNMENT AGENCIESCOMITÉ PERMANENT DES
ORGANISMES GOUVERNEMENTAUX

Thursday 7 September 2006

Jeudi 7 septembre 2006

The committee met at 1005 in committee room 1.

AGENCY REVIEW

HYDRO ONE

The Chair (Mr. Tim Hudak): Good morning, ladies and gentlemen. The standing committee on government agencies, for its meeting of Thursday, September 7, 2006, is now in session. Today we have the third of our agencies for review: Hydro One. I'd first like to recognize and thank Rita Burak, the chair, and Tom Parkinson, the president and CEO of Hydro One, for their attendance. Thanks for being here and joining us.

We'll follow the same format that we have the last couple of days. The morning session will consist of some opening comments by Ms. Burak or Mr. Parkinson, and then we will break into 15-minute segments for Q&A divided equally among the caucuses. Hydro One is at the call of the third party, so Mr. Hampton will have first dibs on questioning and we'll see how the rotation works.

Similarly, in the afternoon, as we've followed the last two days, we have a number of interested groups to offer comment for the committee's interest on Hydro One. Again, the third party will begin the questioning with the 1 o'clock session, and then we'll follow the rotation basis divided up by equal time for each of those half-hour blocks.

Monsieur Bisson had asked for Mark Holmes, the Ontario Forestry Coalition, to appear before the committee for 1 p.m. That is now on the agenda but we're just confirming all the details around that, so we'll let committee members know if indeed the 1 o'clock is solidified or not.

I will let folks in the gallery know as well that if the gallery does fill up, room 228 is an overflow room where the broadcast is also taking place. So if we have excess bodies to seats, room 228 will remain open throughout the day.

There's no other business or votes planned for today so we will now proceed with the interview of Hydro One. Again, Ms. Burak and Mr. Parkinson, welcome. I'd ask you to make some opening comments on Hydro One's behalf.

Ms. Rita Burak: Thank you, Mr. Hudak. We appreciate this opportunity to share information about Hydro One and to answer questions from members. We will introduce staff from Hydro One who may be called upon

to assist the committee as they may be called up to the table.

I know that the committee is especially interested in the issue of accountability. I would like to begin my remarks with an overview of Hydro One and our governance structure.

Hydro One has over 4,000 employees and nearly \$12 billion in assets, made up primarily of Ontario's bulk electricity transmission system, and distribution assets serving 1.2 million, mostly rural, distribution customers. Last year, the company had total revenues of \$4.4 billion, a net income of \$483 million and paid \$198 million to the province in lieu of corporate taxes.

We are an Ontario Business Corporations Act company with one shareholder: the province. Our legislative framework is similar to that of other utilities. In addition to the Electricity Act, the Ontario Energy Board Act and various federal and provincial statutes, however, we are also covered by the Freedom of Information and Protection of Privacy Act, and are audited by the Auditor General of Ontario.

We are public debt issuers and so must comply with all of the laws, rules, covenants and best practices, including comprehensive disclosure requirements, of other corporate public borrowers. We have received positive governance assessments from the external rating agency, Moody's. We are also governed by a memorandum of understanding with the province, and meet regularly with the Minister of Energy and others in the Ontario government.

Our board is comprised of individuals from the private sector who are reappointed each year by the shareholder. The board's overall role is one of oversight and providing strategic direction to the company. As well, we appoint the CEO.

Material provided to the committee details the company's achievements over the last few years; however, I would like to mention a few that the committee may want to pursue.

I would like to touch on three key projects: first, the Ontario Grid Control Centre, which has been cited for excellence by the North American Electric Reliability Council and which was completed on time to a budget of \$118 million. Opened in 2004, the OGCC is a state-of-the-art operations command centre. It is from this centre that we can monitor the system, respond to the system's needs, and dispatch crews. This facility has eliminated

the need for multiple regional control centres—there were originally 13—and results in improved operating efficiencies, supply reliability and a higher level of customer service.

1010

Second, the Parkway transformer station was also completed on time and on budget, and enabled the closure of the Lakeview coal generating station. This station ensures reliable electricity supply to customers in the northern GTA. It was the first station of its size to be built in the province in the last 15 years, with a budget of \$140 million.

Third, the downtown Toronto cable project is also on time and on budget and currently under construction. The cable, running two kilometres 90 feet below Front Street, from the St. Lawrence Market to just past the CBC building, will reinforce the connection between the east and west sides of the downtown core. The cost of this project is \$45 million and the planned in-service date is the fourth quarter of 2007.

Reliability of the transmission and distribution system is a priority for the board and the company. The company has spent over \$5.5 billion since 2002 to ensure sustained reliability of the transmission and distribution system.

The impact of these investments has enabled the system to withstand a recent all-time peak in electricity use. While making these investments, the company has also improved work processes and achieved efficiencies. Cost-saving initiatives have resulted in broad-based and effective savings of more than 5% per annum since 2002.

We are committed to ensuring that Hydro One plays its part in conservation. The company has launched a number of conservation initiatives over the last few years. For example:

- fridge and air conditioner buybacks;
- farm and small business energy audits and retrofits;
- low-income and aboriginal energy efficiency programs;
- load control; and
- real-time energy cost monitors.

The company monitors satisfaction levels among large, mid-size and residential customers and has achieved good results.

Large customer satisfaction increased from 42% in 2002 to 91% in 2006. Mid-size customer satisfaction over the same period increased from 58% to 74%. Residential customer satisfaction continues to track in the 80% range.

The company has set a goal to have 90% satisfaction across all customer segments by 2010.

Stable financial performance remains a key goal at Hydro One. The company's strong and stable financial profile underpins its strong credit ratings. Hydro One's credit rating was recently upgraded to A—high—by Canada's Dominion Bond Rating Service. Standard and Poor's and Moody's have also upgraded Hydro One's credit ratings in the last three years, which currently stand at A and AA3 respectively.

The company's strong financial profile provides us with the flexibility to access the debt capital markets under most conditions at reasonable costs. This flexibility is important to obtain the necessary financing for investments in the transmission and distribution system.

In conclusion, the board has given direction to the company to focus on core business and seek efficiencies. The accomplishments I've mentioned can be attributed to our CEO, to the professional managers of the company and our bargaining unit partners, all of whom take great pride in their work.

Hydro One is consistently rated favourably by external reviewers, and we rank with the top quartile among comparable utilities in all benchmarking categories. The board of directors and everyone in the company are very proud of the company's progress and achievements of the last few years.

We look forward to the committee's questions and insights. Thank you, Mr. Chair.

The Chair: Outstanding. Thank you very much for the presentation. Let me from the outset thank Hydro One and its team for these rather extensive briefing binders in response to members' questions: not only comprehensive but gave us a good workout in lugging these things around from room to room.

Secondly, on behalf of the committee, thanks for the very kind offer of hosting the event at your Barrie facility. We appreciate your offer of hospitality. As you know, ultimately the committee decided to keep the hearings here at Queen's Park, but I want to say thanks for the kind offer at the outset.

Mr. Hampton, you'll have 15 minutes of time—we'll follow with 15-minute rotations until we hit noon—for any questions and comments with respect to Ms. Burak and Mr. Parkinson.

Mr. Howard Hampton (Kenora–Rainy River): First of all, I want to say thank you for your appearance here today. I think everyone acknowledges that the work that Hydro One does is important for all Ontarians. I would argue it is critical to Ontario's economy, and we've certainly seen evidence, I think, over the last few years of just how important Hydro One's role is.

I want you to know that I take the issue of accountability very seriously. You account for a fair bit of expenditure within Ontario's economy. A lot of private sector activity is dependent upon what you do, the kinds of decisions that are made and how those decisions work out in the long run. I think it's important that we have the opportunity to ask some questions about those things.

I'm going to start with something that has attracted a fair bit of media attention, and I think it's a fairly simple question: What is Hydro One's policy with regard to the use of the corporate helicopters?

Ms. Burak: For the first question, the answer to that is very simple. The use of company helicopters is for legitimate purposes only.

Mr. Hampton: Can you define "legitimate purposes"?

Ms. Burak: Any work-related business that might require transportation and the use of the helicopter.

Mr. Hampton: Work-related business. I guess I have to ask the next question: How do you define “work-related business”?

Ms. Burak: The helicopters are used for a wide variety of operational purposes: the travel back and forth of workers and people on legitimate Hydro business.

Mr. Hampton: Okay. Is it the policy of the company that all passengers are recorded when riding on a Hydro One helicopter? We just saw some difficult situations north of Peterborough where transmission lines, I understand, were knocked down, distribution lines were knocked down, so somebody had to go into that site by helicopter. Would the names of all the workers, the names of all the people travelling on that helicopter be recorded?

Ms. Burak: I believe a log is kept. Tom, maybe you can speak to that.

Mr. Tom Parkinson: My understanding is that the number of passengers is recorded.

Mr. Hampton: The number of passengers?

Mr. Parkinson: Yes.

Mr. Hampton: Not necessarily their identity, who they are.

Mr. Parkinson: I think that's a Transport Canada requirement, to report the number of passengers.

Mr. Hampton: Okay. But names are not recorded, just the number.

Mr. Parkinson: Typically the number, yes.

Mr. Hampton: Are names ever recorded?

Mr. Parkinson: No.

Mr. Hampton: And that's been company policy for some time, just the number of people on the flight?

The Chair: Can I interrupt for a brief second? If people from Hydro One who aren't at the table answer a question, just get their name for the record. We'll do that going forward. Thanks. Sorry.

Mr. Hampton: Are family members of Hydro One employees permitted to ride on corporate helicopters? In other words, I may have work to do, but do family members ride on the corporate helicopter as well?

Ms. Burak: Tom, do you want to speak to that?

Mr. Parkinson: Not as a general rule, no. There would need to be exceptional circumstances, yes.

Mr. Hampton: What would those exceptional circumstances be?

Mr. Parkinson: If there was no practical alternative and if the person in question who was on corporate business had no practical alternative, that may happen. But that would be a rare and exceptional circumstance.

Mr. Hampton: I guess I'd have to ask—“no practical alternative.” I'm somebody who flies around a lot in this province. I travel a lot in this province. Sometimes it's by bus; sometimes it's by train. Occasionally it's been by helicopter. Often it's by airplane; often it's by driving. What does “no practical alternative” mean?

Mr. Parkinson: I'm using it in the ordinary context: no practical alternative.

Mr. Hampton: Okay.

Can you tell me: What is the average duration of power outages since May 2005? What's the average duration of the power outages that you've had since May 2005? I don't have to have that information immediately right now. If you can give me an estimate and provide me with more accurate details later, that would be helpful.

1020

Mr. Parkinson: We'd be happy to provide since 2005, or we can provide history before that, if you wish.

Mr. Hampton: I'm particularly interested in May 2005. Do you have a sense of what the average duration of a power outage has been since 2005?

Mr. Parkinson: I'll call Myles D'Arcey, our VP of customer operations.

Mr. Myles D'Arcey: The average restoration time would be 175 minutes. That's from the time of the initial call to the actual restoration of the power.

Mr. Hampton: So average restoration time and average duration of outage is the same thing?

Mr. D'Arcey: Yes.

Mr. Hampton: You refer to it technically as average restoration time? That's the technical term?

Mr. D'Arcey: That's correct.

Mr. Hampton: That's the figure since May 2005?

Mr. D'Arcey: Yes, it is.

Mr. Hampton: Do you know what the figure would be before May 2005? In other words, if we look back historically?

Mr. D'Arcey: Yes, I believe it fluctuates, but it has run somewhere between 185, 183 minutes. Again, that's for the restoration time; that's from the time the crew is dispatched till the problem is actually resolved. We also track response time, which is an OEB standard, and we meet the standard associated with response to the initial call, which is under 120 minutes.

Mr. Hampton: So there are two figures, then? There's the restoration time, which is the time when you receive the call stating that power is out, the time from that point until power is restored, but there's another figure?

Mr. D'Arcey: There's an OEB requirement associated with response to. So from the time that the call is initiated until the time the crew responds on-site is 120 minutes. The average time for us to respond and repair—which is the restoration, separate from the OEB target requirement on response. We monitor and track our restoration time—that's respond and repair—and the respond and repair average restoration time is 175 minutes. That is an improvement over the past few years.

Mr. Hampton: That's an improvement over prior to May 2005?

Mr. D'Arcey: That's correct.

Mr. Hampton: Just so I'm clear, what was the number before May 2005?

Mr. D'Arcey: Again, we track it on an annual basis, and I'd say going back over the previous years it would fluctuate, but somewhere in around the 180- to 185-minute mark.

Mr. Hampton: That's restoration time.

Mr. D'Arcey: Restoration time; that's correct.

Mr. Hampton: One of the things I hear from people who work on the transmission and distribution systems is that this can be very dangerous work. Has Hydro One's overall health and safety record changed, and what are the details of your health and safety record going back over the last three years, last six years, last 10 years? Do you know what the figures are on that?

Mr. Parkinson: I can speak—and we can provide the exact figures—to Hydro One's health and safety approach, certainly since 2002. I can't speak to it before that. But in 2002, the new board of directors decreed that health and safety would be the company's number one priority. We set about an extensive program of improving our safety record, and it was in two phases. I would say that before that, we were around the middle of the pack of Canadian utilities. We set a phase one objective of getting to the top quartile of Canadian utilities on measures such as lost-time injuries, injury duration and, most specifically for our board, injuries that are serious and potentially fatal in nature. Our phase one objective was to get into the top quartile, and we achieved that in 2004.

Our second-phase objective was to eliminate lost-time injuries from the company. If you consider the size and complexity of Hydro One, the geographic territory we cover, the inherent danger of our business and the difficulties that we face, you'll realize that that is quite a challenge.

The board initially set a target of eliminating lost-time injuries from the company by 2006. We won't achieve that target, although we have made very dramatic improvements, and that's acknowledged throughout the industry.

We now are a top-quartile company. Our current focus is on eliminating serious injuries and near misses in six categories that can injure or kill our workforce—issues like electrical contact on the job, falls from height, serious motor vehicle injuries etc. We've had dramatic improvements, and we're very proud of that.

Mr. Hampton: I'm told that the Ministry of Labour keeps a list of high-risk firms with respect to health and safety.

Mr. Parkinson: That's correct.

Mr. Hampton: I'm told that Hydro One is in the top 2% of the Ministry of Labour's list of high-risk firms with respect to health and safety. Does that accord with your knowledge?

Mr. Parkinson: We've recently been identified as a high-risk firm, that's correct, but we have requested to work with the ministry to see whether the figures that they've based that on are accurate. Our view is that they're not and that there is some mistake or misunderstanding. We're working through that at the moment.

Mr. Hampton: Do you know why the Ministry of Labour puts you in the top 2% of high-risk firms? Have they told you why?

Mr. Parkinson: We're working through that at the moment to verify why that is.

Mr. Hampton: In the Hydro One annual report 2005, were concerns raised about the future shortage of skilled technical staff?

Mr. Parkinson: Yes.

Mr. Hampton: Can you tell me the nature of that concern?

Mr. Parkinson: If you'll bear with me going through a bit of history, the history at Ontario Hydro was that, for the past 10 or 15 years, there has been a very low level, or an absence, of hiring of skilled technical staff. Then, in the late 1990s and the early 2000s, there were a couple of voluntary retirement programs, quite generous retirement programs. The company had no ability to select the people who took advantage of that. So as a result of that, the company lost a very significant number of skilled staff. I should point out, too, that that's not something unique to Hydro One. That's a phenomenon right across Canada and right across North America.

So we were left in a position in 2001-02 where the new board received a report on the demographics of the company and the skills of the company. We identified back in 2002 as a strategic priority that we would seek to recover from that. We were ahead of the game on that, and we decided then that we would commence hiring electricians and other skilled staff. We did that, and we brought our first batch of apprentices in in 2002 under that program.

We've now got something like 400 apprentices in the system. So Hydro One's actually in very good shape on that basis, and we've also increased the number of engineering and technical specialists in the company, too. We provided the exact figures in the information, but from memory, there were 750-something society members in 2002 when I became CEO. I think, last year, that number was up in the high 800s. So we take that very seriously.

In fact, if time permits, we're actually leading a Canada-wide initiative on that. Mr. Tom Goldie, our VP of corporate services, is in the room and can outline, if you wish, the initiative that we're leading across Canada through the Canadian Electricity Association. I'm currently the chair of the Canadian Electricity Association. So not only have we addressed that within Hydro One; we've led a Canada-wide initiative on that.

The Chair: Thank you very much. If Mr. Hampton wants to pursue that in his next round, Mr. Goldie is welcome to come forward, if Mr. Hampton so chooses. I would say, too, if there's a request from committee members for further information, you could do so through the clerk's office, and she will distribute that to all of our members. I would also ask, if at all possible, a deadline of September 16—a week from Friday—so that members have the information in plenty of time for our report-writing segment.

We'll now go to the government side for 15 minutes: Ms. Mitchell.

1030

Mrs. Carol Mitchell (Huron–Bruce): Thank you very much for coming and making the presentation today, to both of you and to your team as well. During your presentation you talked about financial stability and you went on to talk about some of your key investments. But what I would like to give you the opportunity to do is to talk about what you have done for cost savings and give you the opportunity to expand on that: what you have done within your organization to ensure that accountability and transparency remain intact.

Ms. Burak: I'll just start by saying that our board is especially conscious of this issue because of the impact of how well we do or do not do on this topic on ratepayers. I believe, Mr. Parkinson, you could speak to a few examples of what we've done to achieve savings that resulted in a better bottom line.

Mr. Parkinson: As the chair has said, the board has identified and has been very strong on the issue of productivity and cost savings because we're very conscious that if we don't keep our costs under control, that flows through to rates for households and industry.

We've actually taken major strides to do two things: to streamline Hydro One and get our costs under control, and also—and it's a related issue—to focus our business back on its core operations. Before 2002, we were a business that was focused very much on expansion into the US and getting into a variety of quite risky businesses. The new board focused us back on our core transmission/distribution business in Ontario and mandated that we achieve significant savings.

From the period of 2001 over to 2005, we've achieved identifiable savings of about \$378 million in total, and that's on a total cost base of around \$6.5 billion, so quite significant percentages. Our percentage cost savings obviously will reduce as time goes by because we've taken the relatively easy decisions in the front half of that period. So we will face diminishing returns as time goes by.

Just some of the examples of things we've done: We've increased our staffing flexibility. We were primarily hiring 100% of our staff as full-time people prior to 2001. We now have something like 25% to 30% of our staff on hourly hire, contract-basis, through the power workers' union hiring hall, basically, so that gives us great flexibility so that we can staff up and down as the workload changes. That's one big initiative to save a lot of money.

We've invested in new tools and new technology. For example, if you look at the Hydro One fleet today, it's very different in age and composition than it was four or five years ago. And the utilization rates on the fleet have increased dramatically. They've come from 30% to 40% on average up to 70% to 80%. So we've got better equipment now but it's utilized much more fully, which obviously makes our workforce happy as well. We've got mobile information technology now in a lot of our vehicles across the province, so our staff can start work without coming into a work centre first; they can go

directly to the job and we can tell where they are and what they're doing.

We've optimized our meter-reading routes. That saved us millions of dollars. We had, back in 2002-03, a very dramatic reduction in our corporate head office staff as well. The board focused on management first, and we had somewhere around 150 staff reductions. We had significant reductions in compensation levels and bonus levels, we eliminated long-term incentives from the company, and we introduced a new pension scheme for management staff going forward. So our corporate functions and service costs are much lower now than they were.

We've saved tens of millions of dollars through strategic sourcing initiatives. We buy a lot of material—transformers, steel, cable—and we've made sure that we get the best deal now. We're doing very well at that.

Rita mentioned in her opening remarks the centralization of the operations facilities up at Barrie.

I could go on, but I want to leave time for other questions. There's a raft of initiatives we're very proud of.

Mrs. Mitchell: Thank you. The members are all anxious to ask questions.

The Chair: You have about 10 minutes in this round remaining still. Ms. Smith.

Ms. Monique M. Smith (Nipissing): Thank you. I had a question following up on your discussion on your skills shortage and how you've addressed that. In my community of North Bay, we've found a similar shortage in some of our major employers, and certainly through our community college we've seen some great partnerships developing with our high schools and colleges, ensuring that we have some skills trade development up in our area. I know that my college, Canadore, in particular has been very responsive to our employers in trying to provide those skills. I just visited their electrical training facility last week, which is great.

I really wanted to hear from you or Mr. Goldie about what you've done to fill that gap. You sound like, with 400 apprentices, you're certainly at the front end, which is great. I just wanted to hear more about that program and how you're moving forward with that.

Mr. Parkinson: I'll call Mr. Goldie, our vice-president of corporate services, up. While he's coming up, I'll say that in addition to hiring new apprentices, we've also worked with universities and colleges, because one of the consequences of not hiring for 15 years is that there's no demand within the university and college system for the courses that we need—power engineering, for example. So we're working with universities in partnership to develop the courses. But I'll ask Mr. Goldie to elaborate.

Mr. Tom Goldie: Thank you for the opportunity to speak to this issue. Maybe where Tom has started is a very good—

The Chair: Again, we have to ask for your name.

Mr. Goldie: I'm sorry. Tom Goldie, senior vice-president of corporate services.

The Chair: Thank you.

Mr. Goldie: We've tried to deal with this on a number of levels because the issue is obviously multi-faceted, at the management level, at the engineering level and at the trades and technology level. Certainly at the engineering level, as Tom has said, one of the things we've tried to do is work with universities to get their programs back up, because when you're not on campus for a four-year period, that's a lifetime for university students. So when you go in and say, "We're Hydro One and we're here to hire," they're going, "Well, who are you and where do you fit into the sector?" There's a lot of work going on at the university level to get those programs re-established and show that we need power engineering.

At the trades and technology level, it's the same process. We recognize there's a need for partnership with educational institutions, and we're working through that at the present time.

One of the initiatives Tom was mentioning was the Electricity Sector Council, of which I am chair. That is a non-profit organization. Some of you may be very familiar with sector councils. Different industries have them. Construction has one, travel has one, tourism has one. There's a number of them across Canada. They are organizations which pull together employers, educational institutions and other interested associations, as well as trade unions, to try to get people interested in the particular industry, which in our case is obviously the electricity sector, but also to ensure that there is a skilled and highly trained workforce able to move into positions as they become available.

This is a national issue. The sector council stretches across Canada. There are representatives from all provinces, from many of the electricity businesses across Canada—transmission, distribution, non-utility generation, renewables. Anybody who has a stake in the electricity sector is involved. We're doing a lot of work at the community college and university level all across Canada to try to make sure that they are going to be producing people who are able to come and work in the industry.

In addition to that, we're working with other organizations to encourage them to establish apprenticeship programs and training programs. One of the reasons that I was appointed as the chair of the Electricity Sector Council was the reputation that Hydro One has across Canada in terms of its apprenticeship and training programs. It's viewed as second to none, and people are coming to us saying, "How do you do it?" We've spent a lot of time working with these other organizations but also encouraging them to do it, because part of the issue is that other utilities are looking at us and saying, "Why would we worry about setting up an apprenticeship program for power line maintainers when you've got 50 a year going through your program? We'll just steal from you." We're saying, "There aren't enough. You've got to get your programs going to make sure there's enough for everybody." That's a real problem that we've spent time on.

As Tom said, we've been working since 2002 to establish apprenticeship programs, or continue them going in our organization, for line staff, forestry staff, electricians and power maintenance staff to make sure that we've got enough. The organization and the initiatives we're working on are really going all across Canada, working at the educational level and also at the industry level to ensure that we're going to have the resources that are necessary.

1040

Ms. Smith: Great. Thank you.

Mr. Ernie Parsons (Prince Edward-Hastings): I guess my question is to Ms. Burak. We tend to be the complaint offices for the general public on a whole multitude of issues. Probably the most calls we have had have been over the CEO's salary. The public has had a great deal of difficulty understanding it. Although it's not our role as MPPs to defend it, it is nice if we can explain how the number was derived. I guess my question is, what was the process? I don't understand. Traditionally salary is calculated by comparing that position with similar positions in other industries. I roughed that through and found out that no, I don't think that's the approach that was taken because, quite frankly, the salary is the highest in Canada and even compares well with salaries in the US. So I guess my question is, can you explain to me what process the board followed to come up with the salary for the CEO?

Ms. Burak: I'm delighted to answer that question. It obviously has been a topic of media interest, and I know there have been a number of letters that have gone to MPPs from all parties, some of them copied to me. I really do appreciate this opportunity to give you the perspective of the board on this matter and to assure you that these matters are not taken lightly. A great deal of thought and consideration has gone into the subject not only of the salary for the CEO but for the senior management ranks. If I may, I'd like to begin with a bit of background because it does set the context for the processes that we used to determine the current salary.

Back when Ontario Hydro was broken up into a number of entities, all of those new companies had a number of legacy issues, a very rich pension plan, and as the new companies became established, the previous boards, in anticipation of an IPO, set very high salary levels. It became controversial back in 2002. Legislation was passed to overturn compensation decisions specifically at Hydro One. That's when I came on the scene as a board member. In fact, I chaired the human resources and public policy committee at that time, before I became chair of the board.

In response to that legislation, the board took a number of decisions relating to all of the senior managers. The base salary maxima were reduced, the short-term incentive maxima were reduced, the long-term incentive program was eliminated, the change-of-control provisions that had been in some of the senior contracts were eliminated, and the position of a chief operating officer was eliminated. As well, subsequent to all of

those decisions, the board took the position that for all new management employees a much-reduced pension plan would be more appropriate going forward. As a result, the new pension plan for management employees is approximately 25% less than what it had been.

In terms of the careful consideration and process that the board used to arrive at the actual dollars, let me explain that the board has a human resources and public policy committee, and it is that committee that determines policy and recommends that policy to the board. It recommends the actual base salary and short-term incentive programs that should be put in place for the CEO and senior managers, and it also recommends to the full board what the actual short-term incentive payouts for the CEO should be, and it's based on a performance management system that we take very seriously at the board and which is taken from the balanced scorecard that I believe was referenced in answer to question 22 of the questionnaire that was submitted to the clerk. Also, I would mention, in determining these matters, the board and committee take independent advice from external consultants to determine what is the appropriate range.

After making the changes that we did in 2002 and when it came to the salary of the CEO, we recalibrated in January 2005 what the total compensation package should be and extended Mr. Parkinson's contract to the year 2010 for two reasons: first, in recognition of the results that had been achieved on behalf of the company—a very substantial turnaround during his initial three years as CEO; and secondly, with the view to the continuity we felt was important for the company as it will face the many challenges that lie ahead.

The board made the decision to increase Mr. Parkinson's salary, getting to the nub of your question: What comparisons do we look for to come up with this? We have based the compensation package for the president and for other senior managers on a Hay system, which looks at a category that's called "all industrial." It would contain a long list of companies that would have operations and would be of a size that would be comparable to Hydro One.

The Chair: We are going quite long into the time. That's a pretty comprehensive answer to date. If other members want to come back for supplemental—

Ms. Burak: Certainly.

The Chair: I appreciate it. The official opposition, Mr. Yakabuski.

Mr. John Yakabuski (Renfrew–Nipissing–Pembroke): Thank you very much for joining us this morning. I have some questions on transmission, to start. We know how important transmission is in order to be able to deliver the power we can produce. There's been some to and fro about what power we are going to be producing in this province. Many of those decisions, I suspect, are based on what our transmission situation is as well.

You have a report here on transmission solutions 2005-14. You talk about a number of different things. For example, in the Newmarket area there have been attempted changes. Can you give us an idea of where we

are today with respect to the burgeoning demand up in that district, and whether or not we are in a position to meet goals with regard to—there's an environmental assessment that we're dealing with right now. Where are we in those situations?

Ms. Burak: On the specific question of Markham, Mr. Parkinson?

Mr. Parkinson: Sure. Since Hydro One put out the report on transmission solutions, a couple of changes have taken place which impact transmission planning. The Ontario Power Authority has been formed and now has the responsibility for integrated system planning. They plan generation and major transmission. Hydro One works very closely with the OPA on planning transmission.

On the specific instance in Newmarket, Hydro One initially proposed a transmission solution back in 2004-05, but the OPA and the Ontario Energy Board decided on an alternate solution to enhance the distribution system in the Newmarket area—in King, actually. We're going through the process of environmental assessment and approvals on that distribution station at the moment. Once those approvals are in place, we will be constructing the distribution station, and that will meet the short-term needs adequately.

1050

Mr. Yakabuski: What's the timetable for that?

Mr. Parkinson: I think the latest timetable is that the construction should be completed by the end of 2007.

Mr. Yakabuski: Construction should be completed by the end of 2007?

Mr. Parkinson: Of the distribution station, yes, provided all the approvals are met.

Mr. Yakabuski: Okay.

We've heard lots of talk about, for example, power agreements with the province of Manitoba, bringing that power here to Toronto from Conawapa. How far is it from Toronto to Conawapa?

Mr. Parkinson: I don't know the exact distance, but I believe it is the same distance from Toronto to Florida, so it's a long way, there's no question. It's thousands of kilometres.

Mr. Yakabuski: It's a long piece. How many First Nations communities are there between here and Conawapa?

Mr. Parkinson: A great number. I'd like to call Mike Penstone, our director of system investments, who has expert knowledge on the Manitoba line.

The Chair: For the sake of Hansard, sir, if you don't mind introducing yourself.

Mr. Mike Penstone: Certainly. My name is Mike Penstone. I'm the director of system investment for Hydro One Networks.

Mr. Yakabuski: How many First Nations communities are there between Toronto and Conawapa?

Mr. Penstone: Several dozen.

Mr. Yakabuski: Several dozen. Can we be more specific? That could go from 36 to 48 or 60.

Mr. Penstone: I don't have the exact number but it's—

Mr. Yakabuski: More than 50?

Mr. Penstone: I don't have the exact number. It's in the dozens. If you wish, we can provide the committee with that information.

Mr. Yakabuski: Where are we in progress? This has been talked about by the government since 2003. Where are we with respect to that?

Mr. Penstone: You're correct: There has been a fair amount of discussion about the potential of several amounts of power to be purchased from Manitoba. Hydro One is not involved in the specific negotiations concerning the amount or cost of those agreements. However, we support those negotiations in terms of identifying what the transmission implications would be of purchasing various amounts of power and energy from Manitoba. For example, we have provided information related to increasing our capability to purchase from Manitoba by 200 megawatts, to the implications of increasing our ability to import power from Manitoba up to 1,500 megawatts, which would be the Conawapa development.

To your previous question about the length of the transmission investment that would be required, as a minimum it would be a 1,500-kilometre line within Ontario. There have been discussions, and a number of alternatives have been proposed. None of them have been necessarily examined from a detailed engineering perspective, but the proposals all vary in terms of the routing of the transmission line from the Conawapa development essentially to Sudbury.

Mr. Yakabuski: In the context of these First Nations communities—as you say, you're not directly involved, because of course the OPA is involved, but how many communities have we actually secured agreements with in regard to bringing a transmission line through those communities? Do you know?

Mr. Penstone: We haven't undertaken detailed discussions with the First Nations in terms of achieving those agreements. We would not do so until there was an actual need and commitment to build the transmission in the first place. However, in other instances where we have built transmission recently, most notably in the Niagara region, as soon as we identify the need to construct the transmission, one of the first steps that we do is to consult with First Nations and work with them in terms of the processes that are going to be used and so forth. These processes involve archaeological examinations, courtesies in terms of what the scope of the project is, the timing of the project.

Mr. Yakabuski: We keep seeing the government holding this up as a shining example of their commitment to addressing the power situation in Ontario, and the short answer is, nothing has been done.

Ms. Burak: Mr. Yakabuski, if I may assist my colleague, I think it's important to bear in mind in many of these questions that Hydro One is the operational arm, the transmitter and the largest distributor. We're not

involved in policy matters and, as you know, we're not involved in power purchase agreements. So our role in life is to assist.

Mr. Yakabuski: We understand that, but I think you know what's going on. How does the power from Bruce station get to Toronto?

Mr. Penstone: There are several circuits that emanate from the Bruce Power facility on the Bruce Peninsula. Predominantly it's through 500 kV circuits that go between Bruce and stations that are in Milton and Woodbridge. That is sort of the direct east-west route. There are also lines that emanate from Bruce that go into southwestern Ontario, down to the London area and then across from London to Hamilton and into the greater GTA. So essentially we have a combination of high-voltage 500 1,000-volt lines and 230 1,000-volt lines that emanate from that facility.

Mr. Yakabuski: So some of that power passes through Nanticoke; is that right?

Mr. Penstone: Yes, it does. That's the southwestern route.

Mr. Yakabuski: Now, of course, we're undergoing enhancements and improvements at Bruce re refurbishment of some of the units. Are we in a position transmission-wise currently to handle that, or can we be assured that we will be by the time those improvements take place?

Mr. Parkinson: Hydro One is working with the Ontario Power Authority and the IESO and the government at the moment to look at the options for transmission in the Bruce so that when the refurbished Bruce units are fully operational, that power can flow down to the load centres in the GTA.

Mr. Yakabuski: So have we got any EA stuff that we have to go through yet?

Mr. Parkinson: There's been no final decision on the route at this stage. When there is—

Mr. Yakabuski: How do we know we can have it done in time, then, if we don't even have a decision?

Mr. Parkinson: We're working through the process to make sure that once the option is selected, we can get the approvals process and the construction done by the needed date. That's being investigated now.

Mr. Yakabuski: I'm going to pass this over to my colleague Mr. Tascona.

The Chair: Mr. Tascona, you have about two minutes.

Mr. Joseph N. Tascona (Barrie-Simcoe-Bradford): Thanks very much.

Recently in Caledonia, I understand that you faced delays in the transmission line work which you had begun. I understand that there was damage to a major transmission building. I understand that the transmission line enhancement west of Niagara was badly damaged. I have a couple of questions on the status of the project. Can you tell us how far behind you are now on the project and when you're going to be able to resume work?

Mr. Parkinson: Yes. The project in question was quite large and complex. We received the approval for that a little over a year ago. What we did was tear down the 70- or 80-year-old 115 kV line and replace that with 230 kV line. The end result of that will be that we can bring an additional 800 megawatts of power—and that's in a 26,000-megawatt system—across from New York. That's the intention behind the project. That project was on time and on budget until the incident that you're referring to.

We have approximately six weeks' work left to do on that project. Our initial intention was to bring that in for the summer peak of 2006. Obviously, we were unable to do that, but we were able to reconfigure the system and operate the system so that we could meet the record peak which occurred in August of this year. So we've got about six weeks' work left to do. I don't have a clear indication of a specific date when we can start because the negotiations around that are not in the hands of Hydro One.

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Mr. Tascona: Okay, so that leads me to the question, why aren't you pushing for an injunction so you can do the work that you need to do?

Mr. Parkinson: Because it's part of a broader discussion, and Hydro One—

Mr. Tascona: Broader discussion of who? Are you getting direction from the government on this?

Mr. Parkinson: No, we haven't had direction. It's more a matter that this matter is just part of a bigger issue. From Hydro One's perspective, we were able to get through the summer peak without that line in service, and we did that. So we're okay now until the next summer.

The Chair: Thank you very much. You're welcome to come back to that in your next 15 minutes, but your time has expired, so to the third party. Mr. Hampton, you have 15 minutes.

Mr. Hampton: I want to go back to a question I asked a little earlier. It's my understanding that Hydro One is now being monitored by the Ministry of Labour due to the high accident rate. Is that correct?

Mr. Parkinson: As I said before, we have been identified as a high-risk company. I guess from that perspective we are being monitored, but we're also working with the Ministry of Labour to more fully understand the basis for that categorization. We're confident that when we get through that process—we're hopeful that we'll be removed from that list.

Mr. Hampton: It's my understanding that earlier this year the Ministry of Labour placed Hydro One on the high-risk list of Ontario companies. In other words, the worst 2% in the province. I'm told that the reason they placed Hydro One on this list is based upon, first of all, the WSIB claim history, the claim costs and criteria like the frequency and the severity of injuries, taking into account comparisons with others in the same sector. Is that what you've been told too?

Mr. Parkinson: Yes, that was what we were initially advised, and that's what we're going back on now to try to clarify.

Mr. Hampton: Okay. The other issue I want to ask you about is—and in some of your other responses and some of the responses of your officials I think we got into this—you identified in the 2005 annual report concerns about the future of skilled technical staff. Can you give a more fulsome description of skilled technical staff? What kind of job categories are we talking about?

Mr. Parkinson: We're talking about a range of job categories right through from line maintainers, forestry technicians, professional engineers to protection and control technicians. It's virtually right across Hydro One's skilled workforce. The reason that is, as I said before, is two basic decisions. One was, for the past 10 to 15 years, not to hire within the old Ontario Hydro and in the early days of Hydro One; also, the significant voluntary retirement schemes that Ontario Hydro and then Hydro One ran in the late 1990s and early 2000s. That resulted in a very significant shortage of skilled workforce. Not today, though; I want to stress it's not a shortage of skills today or in the next couple of years. We're talking five to 10 years out. The reason the board wanted to act on that was so that when we get five to 10 years down the road, we will have a fully trained workforce. As I said before, we have some 400 apprentices in the system at the moment and we have several young university graduates, and we're working through the process of rebuilding our skills for the future. I think we're in pretty good shape because we acted in 2002, and we've been consistently working on that since.

Mr. Hampton: Is there any kind of hiring freeze in place at Hydro One?

Mr. Parkinson: No.

Mr. Hampton: So you're actively recruiting for virtually all of these professional positions?

Mr. Parkinson: As required, yes.

Mr. Hampton: I was struck by the comment that universities do not provide the kind of courses and training that Hydro One would require. Are you talking about Ontario universities? Are you saying Canadian universities?

Mr. Parkinson: Both. One of the features of this industry is that during the late 1980s and early 1990s—well, all through the 1990s—this industry was down-sizing, and Ontario Hydro was no exception. As a result of that, we were not in a hiring mode and not in a training mode. So some of the courses in colleges and universities that had experienced high demand during the 1970s and 1980s had to be dropped.

We are working, though, and Hydro One has for four or five years now been working, with universities and colleges to get those curricula back in place. We've been working hard at that. So again, it's not a problem today, but it was a problem that we've acted on and we're working to resolve. We can provide more detail if you wish, but we're working hard at that.

Mr. Hampton: I think we would be interested in the detail, because certainly there are universities outside of Ontario.

Mr. Parkinson: Yes.

Mr. Hampton: I'm told, for example, that the province of Quebec devotes a significant amount of training and resources to support their hydroelectricity system in terms of turning out the kinds of professionals and the kinds of engineers that are needed.

Mr. Parkinson: Yes, that's true.

Mr. Hampton: I'm told that provinces like Manitoba and British Columbia are doing some of the same. So I'm struck by the sense that there would be this inability to hire people at this level or with this kind of training.

Mr. Parkinson: As I said, we've been working with universities and colleges to get those courses back into Ontario.

The other issue is that the requirement to replace our skilled workforce over the next five or 10 years is not exclusive to Hydro One. This is a phenomenon right across Canada and right across North America. So even though there is training happening now, and there are graduates coming out, there's also intense competition for those graduates.

The young people of today, even when they start with a company like Hydro One, aren't thinking of a 30-year career as they did before. They're quite mobile and quite willing to move around and progress by moving through different organizations. So there's a whole raft of issues at play here that were not at play 10 or 20 years ago, and we're responding to those.

Mr. Hampton: I just want to make sure I capture this accurately. Part of the issue is that the kind of skilled professional people with engineering backgrounds, systems analysis backgrounds, systems operation backgrounds are in high demand, not only in Ontario, but outside of Ontario and outside of Canada.

Mr. Parkinson: They're in high demand, and there are not many of them, that's correct.

Mr. Hampton: So it's really a matter of being an attractive employer to make sure that you capture as many of those folks as you can and don't lose them to other jurisdictions or other companies.

Mr. Parkinson: I think that's a fair comment, yes.

Mr. Hampton: Are there currently any audits being conducted at Hydro One?

Mr. Parkinson: There are always audits being conducted at Hydro One. Did you have a specific audit in mind?

Mr. Hampton: No. I'd be interested in knowing what audits are being conducted now and by whom.

Mr. Parkinson: Okay. The Provincial Auditor has just completed an audit of Hydro One. The report is not out yet. It's in the process of being reviewed by the company and by the auditors. We provided, I think, in our documentation, a comprehensive list of auditors, but we are audited by our own auditors. We also have quality assurance auditors in every couple of years. The WSIB has the ability to come in and audit Hydro One, the

Ministry of Labour and, as I said, the Provincial Auditor. So there's always a raft, and we have a full internal audit department as well, which is very active.

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Mr. Hampton: The audit by the Provincial Auditor: Can you give us some details on that?

Mr. Parkinson: No. We haven't received the final audit report yet. That has just recently been concluded. I'm expecting that that will be tabled in Parliament later this year.

Mr. Hampton: Was it an audit of the whole organization or an audit of specific aspects of the organization?

Mr. Parkinson: It was a value-for-money audit. This was the first time that Hydro One has had such an audit performed and the reason for that is that we have recently, in the past couple of years, been brought under that legislation. The auditors had the ability to look at the entire organization but, as usually occurs, they had their areas that they wanted to focus on.

Mr. Hampton: Are there any other audits being conducted by any branch of the provincial government at this time?

Mr. Parkinson: Not that I'm aware of.

Mr. Hampton: So no further WSIB audits?

Mr. Parkinson: I don't believe so.

Mr. Hampton: You don't believe so?

Mr. Parkinson: No, I don't believe so.

Mr. Hampton: Okay. And no audits by the Ministry of Finance, Management Board?

Mr. Parkinson: The Ministry of Finance does regular audits on our payments in lieu of taxes etc. They regularly do those audits.

Ms. Burak: If I may add to that, Mr. Hampton, in our submission to the committee, I see we have a five-page chart listing all of the various government entities that audit the company as well. I don't know whether Mr. Parkinson mentioned this, but we obviously have external auditors, Ernst and Young, who are constantly inside the company and providing reports for the board and for external use.

Mr. Parkinson: That's correct.

Mr. Hampton: Are there any extraordinary or unusual audits, anything unique or special or different?

Mr. Parkinson: The only one that might be special would be the North American Electric Reliability Council, NERC. They've just completed an audit of both our Ontario grid control centre up at Barrie and also the backup control facility that we have at Richview, out by the airport. That audit has recently been completed. We do have the preliminary findings and I believe that we included those findings in the material for the committee. They were very complimentary, by the way, and said that our facility in Barrie was second to none in North America, so we're very proud of that.

Mr. Hampton: The audit by the Provincial Auditor comes as a result of the expanded authority of the Provincial Auditor?

Ms. Burak: That's correct, Mr. Hampton, yes.

Mr. Hampton: Has the Provincial Auditor ever audited Hydro One in the past?

Ms. Burak: This is the first time that the Auditor General has exercised his new legislative responsibilities.

Mr. Hampton: I want to ask you a couple of other questions. There was quite a lot of controversy and some litigation regarding the dismissal of the former chief executive officer, Eleanor Clitheroe. Can you tell me, is that litigation proceeding or has that litigation been settled?

Ms. Burak: The lawsuit that the former CEO, Ms. Clitheroe, launched against the company is still ongoing.

Mr. Hampton: Have there been settlements of any elements of that lawsuit?

Ms. Burak: No, there have not.

Mr. Hampton: Are there settlement discussions under way?

Ms. Burak: I think you can appreciate, Mr. Hampton, that because this is a matter under potential litigation, I really can't comment any longer on that.

Mr. Hampton: I'm not asking you for details. I'm not asking you to make any public disclosures here about money. I'm simply asking, are there settlement discussions under way?

Ms. Burak: I'm not at liberty to comment, but I can assure you that the company has, under the supervision of the court, done everything that it can to be responsive and to settle matters.

The Chair: Mr. Hampton, you have one question in this round.

Mr. Hampton: Is this likely to go to court or is this likely to be settled?

Ms. Burak: I'm afraid I cannot answer. I don't know.

The Chair: To the government side.

Mr. Parsons: My colleagues have some questions so if I could get a quick answer on this because I'm still struggling. I know I'm not the sharpest knife in the drawer, but I still don't quite understand the process that came up with this answer.

Mr. John Milloy (Kitchener Centre): Withdraw that.

Mr. Parsons: No. I've had too many people tell me that so I now accept it.

In my limited experience, as I understand it, the Hay system involves bringing in a consulting firm named Hay or whatever, who talk to your senior people and then make a recommendation on what their compensation should be. My experience prior to coming here was that I always watched when automakers were negotiating. They compared auto workers' salaries to other auto workers' salaries, and when I was at a school board, we compared our teachers' salaries to other teachers' salaries. Can you clarify for me quickly, was actually comparing salaries ever considered? Did Hay do it, or was that not part of your process, to look at what other people doing identical jobs in the same industry are paid?

Ms. Burak: To answer your question, I believe I understand the comparison that you're trying to make and I will try to explain it this way. Companies can use a variety of compensation programs. We went with the

advice of the company Hay. We asked them, "This is the nature of the company, this is the size of the company, what would be the best comparator group? If Mr. Parkinson or VP X left the company tomorrow and we had to replace them, what would be equitable and correct compensation based on the market for these positions?" Their advice to our compensation committee and to the board is that a good comparator group is a category that they refer to as "all industrials." It would include companies in a range of sectors, including electricity, and we go from there. Within that category, they will have ranges of compensation and that's what you base it on.

Mr. Parsons: I'm still not quite satisfied, because I think Hay would probably always recommend that you use the Hay system. I have some sense that they would support that. But for every other position that I know of in the world, pay is derived by comparing to other people doing the same job. I don't know how you compare automotive to something else, but you sure can compare automotive to automotive.

I haven't got an answer that I think is going to satisfy my constituents. I'm sorry.

Ms. Burak: I've explained the process. I would add that at the end of the day the board, based on external advice and from the perspective of not only the question of what is appropriate compensation but on what basis of compensation might we have to replace people and what might be happening in the future, made the best judgment call that it could make.

I want to assure you again that we didn't take these decisions lightly. We put a great deal of effort and thought into it and we're comfortable with the decision that we've made.

Mr. Parsons: I understand your process; it's just not one I would have used.

The Chair: Mr. Parsons, are you—

Mr. Parsons: I'm finished.

The Chair: We have about 10 minutes left in this segment. Mr. Milloy?

Mr. Milloy: Yes, I was waiting.

Interjection.

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Mr. Milloy: I want to tell you about my community. I represent a riding in Waterloo region and I have a specific question, actually, picking up on some of the issues that Mr. Yakabuski talked about in terms of transmission.

My community is probably one of the fastest-growing communities in the province. One of the areas where it's booming right now is the high-tech area. We're the home of RIM, we're the home Com Dev, Open Text—and not just those three large companies but also many, many smaller start-up companies. When I meet with the high-tech sector, obviously price is always a concern when it comes to electricity, but it's secondary to reliability. Their huge concern is that as they grow and as they operate, they need a reliable source of electricity. Obviously, there is a supply side to this problem, but there's also the whole transmission issue. I'm looking for some

guidance from you on what message I should be taking back to my high-tech sector.

Ms. Burak: The company is aware of high-growth areas, and I'd ask the president to speak to the particular priority for the Waterloo-Kitchener area.

Mr. Parkinson: That's a very good question. We do have Kitchener-Waterloo as a high-growth area. We are working, as we speak, on transmission enhancements for your area. We are also moving ahead of the new integrated system plan for those enhancements. Those particular issues would normally be included in the integrated system plan. Our board has decided to move on those enhancements ahead of the integrated system plan. In fact, we made that decision at our most recent meeting, so that is going ahead. So the first message I would give is that Hydro One recognizes the levels of growth that are occurring in your region and we're doing something about it.

The second issue is that reliability is always one of our top focus areas. The money that we've spent on both transmission and distribution, as we've provided in the background information, has increased significantly in recent years and will continue to increase. We've made good progress.

The final message, though, is that customers also need to make sure that their equipment inside the fence recognizes that, by and large, the transmission/distribution system was built 50 or 60 years ago and the power quality is not always designed for the latest equipment. We work jointly with customers to make sure that their equipment and our equipment deliver the result we can. We face that issue right across the province.

Mr. Milloy: I will yield to one of my colleagues.

The Chair: Absolutely. About four and a half minutes. Ms. Smith.

Ms. Smith: We have a couple of questions to ask you, though, so say as much as you can in this little time. I want to give you an opportunity to talk about your conservation initiatives and what you're doing across the province to highlight and to emphasize and encourage conservation, and then we have another question, so if you could go quickly, please.

Mr. Parkinson: Okay. I'll give the overview answer. If you want more information, then I'm happy to bring our conservation expert.

As of the end of July this year we've spent \$8 million, which is the first tranche of our \$40 million that we've had approved and allocated to conservation. We've achieved already savings of around \$8 million kilowatt hours, and that's measurable. That's about enough for 700 homes for one year, so we're off to a very good start. We're looking at saving, in broad terms, enough electricity to power 100,000 homes by the time we've spent all of the money that we have allocated to conservation. We have a number of pilot programs out there. We look for practical solutions which will lead to sustainable behavioural change in customers, because that's really what you need if conservation is going to achieve the targets that the government has set. So we're looking at a

variety of programs and we can give you some examples if you're interested, but we're spending \$40 million this year on it.

Mrs. Mitchell: I still have another colleague who wants to get a quick question in too as our clock is ticking. I have the privilege of representing the riding of Huron-Bruce, and one of the things that has, I would say, encouraged my agricultural community like nothing in the last 10 years is the standard offer contract. What has Hydro One done to improve the implementation?

Mr. Parkinson: I have to give you some very quick history. Before the standard offer program, the number of requests for distributor generation connections was just a handful a year, so we only had one staff person allocated to that. We've now got over 400 requests in as a result of the standard offer, so there's been a huge influx. We have ramped up our resources tenfold in that area, so we have trained and hired new staff.

It's a little bit similar to Mr. Hampton's question earlier, though; the resources, the technical expertise in this area, are very scarce. There are a limited number of people, both within the company and within the province, who can do this, but we've ramped up our resources and we have about six months' work ahead of us at the moment. We've got a plan to bring that down and to work through that because we do recognize and support the importance of distributed generation.

The Chair: You still have about three and a half minutes. Mr. Gravelle.

Mr. Michael Gravelle (Thunder Bay-Superior North): Thank you very much for being here. I'm a member from northwestern Ontario, Thunder Bay-Superior North specifically. The reality in our part of the province is that we're dealing with what I think everybody defines as a crisis in the forestry sector. It certainly has been a difficult summer. It's been a difficult last year but a very difficult summer. We've had a number of companies recently announce either an indefinite shut-down or a closure. There's been some good news amidst the bad news, but essentially the issues are related to—unquestionably the high Canadian dollar has a huge impact, but there's no doubt that the cost of energy is a major factor for many of the companies.

What I'd like to ask you is if you can define what role or how Hydro One has been helpful, or have you been working with the companies to try and reduce their costs? This is a larger issue. We could discuss this at great length, and I hope to have an opportunity this afternoon as well when the forestry association is here. But if I may ask you that; if you can respond in what way you've been able to work or help to bring down energy costs for many of our forestry sector partners.

Mr. Parkinson: Why don't I try it from two levels? The first is the company level, and I won't go into detail again because we explained previously the comprehensive cost reduction and productivity improvement initiatives that we've been trying to put in place. We've been trying to very much contain any price increases that Hydro One is requesting, and our transmission

distribution rates are regulated by the Ontario Energy Board. We've just been in and had approval to increase our distribution rates. That will be about a 6% increase on the total bill and that's been approved. The Ontario Energy Board fully acknowledged the efforts that the company's made to contain our costs. Our transmission hearing is planned for the near future, so I can't comment on that.

On the specific customer interface, though: We work very closely with individual customers to identify ways that they can save money in their shop. What we do is, we offer energy efficiency audits. We've done a couple of those—and I hope that this is acknowledged this afternoon—recently in the forestry area, for example, for some of our major customers. I know one that I was reading about recently where we've identified savings in the order of 20% on their electricity costs, which will make a difference. I'm not saying it's a solution but it will make a significant difference, and then the rest is in the customers' hands. They need to make the investments within their own facilities to put those recommendations in place, but the savings are typically there if they want to go forward with that.

Mr. Gravelle: Very quickly, one of the other realities in the northwest is that we really have virtually a separate energy grid because of the cut-off in Wawa, which is in essence why we did not experience the blackout in August 2003.

Mr. Parkinson: Yes, that's correct.

Mr. Gravelle: Therefore, we have a surplus of energy which is difficult to export. There's some portion that can be exported. You won't have time to answer this question at any great length, but is it a thought on your part in terms of actually being able to use that excess energy more effectively, because here we have an excess supply in the northwest, which leads us to believe that we can argue very strongly for a regional energy pricing structure?

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Mr. Parkinson: The specific issue of regional energy pricing is actually a policy issue for the Ontario Energy Board, so it's not under Hydro One's control at all.

Mr. Gravelle: I'd love your thoughts on it, though.

Mr. Parkinson: I don't really have any thoughts on regional pricing, unfortunately. I'm serious in my answer. It's a broader policy issue, which is a matter for the OEB.

The Chair: Thank you very much, Mr. Gravelle. To the official opposition and Mr. Tascona.

Mr. Tascona: I want to return to Mr. Parkinson. From your testimony it's very clear that the Caledonia debacle has implications province-wide and is in fact threatening our power supply.

I'm looking at the 2005 annual report dealing with the Niagara reinforcement project, which we were talking about. In this report about the Niagara reinforcement project, it states, "With the urgent need and the tight timeline, teams are working closely together to make sure the project stays on target. We are confident it will be

delivered on time and on budget." The start of the construction was in 2005. This is obviously a top priority for Hydro One. What you confirmed today is that there is going to be a delay—a projected delay, I would say—of six weeks with respect to this line. The delay, from what I'm reading here today also in the Dunnville Chronicle, has to be attributable—and I think you would confirm this—to the destruction of Hydro One property. On April 20, there was removal of wooden poles, and on Victoria Day, May 22, a van drove into a Caledonia transformer. So what has happened in Caledonia has contributed to this six-week delay.

What I'd like to find out from you is, what other factors have contributed in Caledonia, in terms of destruction of Hydro One property, to this six-week projected delay? Be specific, please.

Mr. Parkinson: There was damage to our facilities in Caledonia, and that damage was repaired. All facilities within Caledonia and in that region are operating properly, and we have increased Hydro One security in those areas to reduce the probability of recurrence. So that's on the specific damage that was done to Caledonia.

On the project itself, as I said previously, we have six weeks' work left to do. We made changes to the configuration of the system so that we could get through the summer of 2006. For the information of the committee, we had a record peak of about 27,000 megawatts, which was almost a full 1,000 higher than the previous year.

Mr. Tascona: Excuse me. Is that six weeks a hard timeline?

Mr. Parkinson: Yes.

Mr. Tascona: Hard?

Mr. Parkinson: We have six weeks' work left to do. The open question, I think, is when do we—

Mr. Tascona: But if it's not met, do you have a contingency plan in place?

Mr. Parkinson: Yes, we do—

Mr. Tascona: What is that?

Mr. Parkinson: —and we will need to make the same arrangements in the system that we made in the previous year. But at this stage we'd be confident—we have six weeks' work left to do, so provided we get that six weeks' work done before next summer, we'll be okay. But if that doesn't look likely as we move forward to next summer, we'll make plans as required. But I think we will.

Mr. Tascona: You'll have to excuse me. We have time limitations and I want to be as specific as I can.

You referred previously to the broader picture as to why you haven't taken any legal action to protect your property and to ensure that the transmission line is proceeding on schedule. That broader picture has to involve the government negotiations with respect to this particular issue in Caledonia, doesn't it?

Mr. Parkinson: Yes, correct.

Mr. Tascona: And who have you been speaking with, with respect to the government, with respect to this delay and this broader picture?

Mr. Parkinson: We made the decision as a company, in consultation with all the affected parties, that we would withdraw our workforce from that project until the broader issue was resolved, and we did that.

Mr. Tascona: Who did you speak with in the government?

Mr. Parkinson: I didn't speak—I don't know who—

Mr. Tascona: Who did your corporation speak with in the government?

Mr. Parkinson: I don't know specifically who we were speaking with. I don't remember the name of the provincial negotiator, to be honest.

Mr. Tascona: To be clear, then, someone in your corporation was speaking to someone in the government about what was happening with respect to this transmission line. I accept that. But you don't know today who that was. But the discussions involved the broader picture, and the broader picture, I take it, is to resolve this dispute so you can continue on with your work. Correct?

Mr. Parkinson: The dispute is not about Hydro One continuing on with its work. That's a by-product.

Mr. Tascona: Yes, but you said to me, "Six weeks' worth needs to be done."

Mr. Parkinson: Correct.

Mr. Tascona: But you don't know when it's going to be done. You're hopeful that that work will be done by the summer of 2007. Isn't that correct?

Mr. Parkinson: That's right. My responsibility is to make sure that Hydro One knows how much work it has to do and is ready and willing and able to do that, and we are.

Mr. Tascona: Are you getting any direction from the government in terms of how to operate in this particular situation in Caledonia?

Mr. Parkinson: No.

Mr. Tascona: Are you sure?

Mr. Parkinson: Yes.

Mr. Tascona: Why are you so sure when you don't know who you spoke to in the government?

Ms. Burak: If I may—

Mr. Tascona: Mr. Parkinson? You weren't sure who you spoke to in the government's corporation. Now you're very sure you're not getting direction. I find that hard to believe, but I'll pass it off to Mr. Yakabuski.

Mr. Yakabuski: Thank you very much. I just want to clarify that there are six weeks of work left in Caledonia; it's not—

Ms. Burak: Excuse me, Chair. I just want to be sure—I heard the sequence and the exchange, and I just want to be especially clear so that Mr. Tascona understands what Mr. Parkinson said was that it was the company's decision to stop work. Subsequent to that decision, of course, we have spoken to Ministry of Energy officials and we have spoken to the native affairs secretariat. Those discussions are not in the nature of direction to the company but rather information-sharing.

The Chair: Thank you. Mr. Yakabuski, now you have about nine minutes.

Mr. Yakabuski: I just wanted to make a comment to clarify. My good friend from Thunder Bay—Superior North made a comment about how much money you're saving these people, and I wanted to make sure it was clearly understood that the people in my riding of Renfrew—Nipissing—Pembroke don't really see 55% increases in electricity prices over the last three years as saving money. I just want to make that clear.

A couple of things: I wanted to clarify one thing. The situation in Caledonia means six weeks of work left to complete the project; it is not the length of the delay. This project should have been finished at this point if there had been no other intervention. We're now looking at a situation where there's an extensive delay.

I would like to ask one question, because any time there's a delay it costs money. It's not like people go home and they start up again and there's no clock ticking, no money involved in ensuring the infrastructure that is completed is safeguarded etc. How much is this situation costing?

Mr. Parkinson: The additional cost in this situation will be minimal, because our staff has been reallocated to alternative duties. So it'll be minimal.

Mr. Yakabuski: Thank you. I want to ask you a question on a phrase that I'm sure you've heard and we hear a lot about, called "grid instability."

Mr. Parkinson: Right.

Mr. Yakabuski: In layman's terms, you have to have basically as much power being used as is being put into the system at any given time, and that's how you create the balance. Depending upon the forms of electricity you're using, you have more or less total control of some and very little control of others.

I'd like you to answer for me what creates grid instability and how much that is affected by the different sources of power we're looking at here in the province of Ontario.

Mr. Parkinson: The best person to give that answer is Mike Penstone.

Mr. Penstone: I'll do my best to try to explain this in layman's terms.

The Chair: I'm sorry; one last time. We didn't catch Mr. Parkinson's introduction.

Mr. Penstone: Mike Penstone, director of system investment.

The Chair: Thank you.

Mr. Penstone: Basically, power systems in general are planned and operated so that they're able to withstand unexpected events or failures. Unexpected events or failures happen on a regular basis. They're essentially transparent to the consumer, because the power system has been designed to be able to accommodate that failure.

"Grid instability" is a term that's used when, essentially, a power system is unable to accommodate a failure of one or more pieces of equipment. If I turn the clock back to August 2003, the blackout was an example of grid instability where a sequence of failures occurred in rapid succession such that power flows changed quickly and dramatically. As a result of those shifting power

flows, protection systems operated and large parts of the transmission system became disconnected. So grid instability is a result of a couple of factors: One is failure, and the inability of a power system to respond to that failure.

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Mr. Yakabuski: There's the big picture. Now, how much leeway and latitude do you have with regard to transmission or generation coming on and off without notice in the system before it becomes unstable?

Mr. Penstone: Hydro One does not direct the operation of the Ontario power system. That is done by—

Mr. Yakabuski: You have to ensure the security of the grid and the integrity of the grid, so you need to be able to ensure that you can keep the transmission line flowing.

Mr. Penstone: Okay, so on a real-time, minute-to-minute basis, there are prescribed limits within the Ontario power system that have to be met or followed. Those limits are defined through technical studies, and the IESO, the Independent Electricity System Operator, ensures that the system is operated to respect those limits. Those limits, again, are designed to ensure that we can withstand an unexpected failure. Hydro One's part is to make sure that its transmission system is operated and maintained so that its equipment is reliable.

Mr. Yakabuski: Okay. Thank you. On August 1—you talked about how Hydro One weathered that storm, so to speak; record power demand in the province of Ontario. I think you'll recall—certainly, where I was that day it was a breezy day, and it played a role, I am told, in ensuring that the system was maintained, because if there had not been a breeze, the additional heat on the transmission system could have caused problems. Do you agree with that, and how close were we with the temperatures we experienced that day? Without the wind, which is something we do not control—but it was a breezy day, which kept the temperature of those lines lower than it would have been without the breeze—how close were we to having potential problems that day?

Mr. Parkinson: I'd be very surprised if the breeze played a significant role in that. I think the far more significant reason that we made it through was the level of expenditure that Hydro One has put into the transmission grid in the past five years. We've had a number of detailed programs to go right through our 230,000-volt system and our 500,000-volt system and make sure that all of our key stations are in good operating condition. Where they're not, we've got plans to refurbish or rebuild them. We've also done work on all of the major lines; a major autotransformer replacement program, for example. We've spent a lot of money and put a very strong focus on the transmission grid over the past four or five years, and that is the reason that it got through.

Mr. Yakabuski: Thank you very much. Going back to the issue that Mr. Parsons raised: When Donna Cansfield was the Minister of Energy, she told the House on repeated occasions that she would be sitting down with the board; she would meet with the board and dis-

cuss the very large salary and bonus that was awarded to the CEO. That was a commitment made to the House. I'd like to know when Donna Cansfield sat down with your board to discuss that.

Ms. Burak: I can't remember the exact date, Mr. Yakabuski, but I attended a meeting with the minister, along with members of our human resources and public policy committee, while Minister Cansfield was in that portfolio.

Mr. Yakabuski: I'm sure you attended many meetings with Donna Cansfield.

Ms. Burak: I'm sorry; I meant on that topic.

Mr. Yakabuski: But was it specifically to discuss that topic and did she ask for the meeting to discuss that topic?

Ms. Burak: Yes, and we attended to address that topic.

The Chair: Thank you very much. To the third party. Mr. Hampton, you have the remaining time on the clock, which is 15 minutes.

Mr. Hampton: I go back to some things I asked about before. In the past, was it ever the policy of Hydro One to keep a log with the names of all passengers on the Hydro One helicopter?

Mr. Parkinson: I'm calling on Myles D'Arcey, the senior vice-president, customer operations.

Mr. D'Arcey: Due to the nature of our work, we tend to leapfrog crews from spot to spot. The requirement is that as the helicopter pilots pick up the crews and move from location to location, they will then call in to where they're departing from and where they're going to arrive with the number of people that are on that. Again, we don't use the names of the individuals of the crew. We could have 20, 30 people on a specific crew that was working there that the helicopter may be picking up and dropping off from time to time.

Mr. Hampton: I want to ask the very specific question again: In the past, was it the policy of Hydro One to keep a log with the names of the passengers using the Hydro One helicopter? Has it been the policy of Hydro One in the past to keep the names of those people who are passengers on the Hydro One helicopter or helicopters contracted by Hydro One?

Mr. D'Arcey: I can only state that in my 28 years with the company, and having been a passenger and working on a number of crews, it has not been a requirement or a policy that all members, all passengers, on every flight done within Hydro be recorded by name.

Mr. Hampton: Has there been any change in the policy of Hydro One with respect to recording the names of passengers on the Hydro One helicopter?

Mr. D'Arcey: Not to my recollection.

Mr. Hampton: I guess this is a question to Mr. Parkinson. Mr. Parkinson, do any members of your family ride on the Hydro One helicopter, or have any members of your family ridden on the Hydro One helicopter?

Mr. Parkinson: It would be a rare and unusual circumstance.

Mr. Hampton: Have any members of your family been transported on the Hydro One helicopter, and if so, for what business purpose?

Mr. Parkinson: Yes, to accompany me on specific corporate business.

Mr. Hampton: What kind of business would that be, where someone from your family would have to accompany you?

Mr. Parkinson: If a member of my family was with me and there was no practical alternative, that would be the only circumstance.

Mr. Hampton: Okay. I want to ask you a question that was touched on briefly by colleagues from the official opposition. I think you'd appreciate that the province's relations with aboriginal people are particularly sensitive at this time. We had the unfortunate Ipperwash events of a few years ago where an unarmed man, as the courts have ruled, was shot dead, and we have the ongoing controversy at Caledonia.

I'm told that just last year, at a meeting of upper-level management and other senior Hydro One staff regarding real estate negotiations with the Sarnia First Nation community, a senior member of management made the following comment: He complained about having to deal with those "f-ing Indians." Can you tell me, did any member of senior management of Hydro One make that kind of comment?

Mr. Parkinson: Not to my knowledge.

Mr. Hampton: I guess this is a question perhaps for Ms. Burak. If that kind of comment were made by a senior member of Hydro One management, what action would the board take?

Ms. Burak: That's a very serious matter. I cannot contemplate, knowing the senior management team as I have come to know them, any one of them countenancing, let alone speaking in, any racist manner. This would be indeed a matter that we would expect the CEO to deal with forthwith and with severity.

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Mr. Hampton: And if that didn't happen?

Ms. Burak: As the chair of the board, if it came to our attention, I would have every expectation that the CEO would deal with those matters.

Mr. Hampton: Would you feel that the board would have to investigate further?

Ms. Burak: We as a board are not responsible for the day-to-day operations of the company. We hold the CEO responsible for those matters and so we would hold the CEO responsible for doing the appropriate thing.

Mr. Hampton: Since the members of the government have raised the issue of compensation, I too want to raise the issue of compensation. I understand that your senior managers are forced to disclose publicly pay and bonus; is that correct?

Ms. Burak: That's correct, yes.

Mr. Hampton: I've got a chart in front of me that says that vice-president Nairn McQueen, since 1999—basically from the year 2000 until 2005, total compensation has gone from \$100,000 to \$398,000. To your

knowledge, is that a fair and accurate reflection of compensation increases?

Ms. Burak: In terms of Mr. McQueen, I believe he was promoted during that period, so it's likely that the largest impact in his compensation came from his promotion to more senior duties.

Mr. Hampton: My understanding, though, is that that's a 297% increase in compensation in the space of what looks like five years. Is that fair?

Ms. Burak: I don't have the particular number in front of me, but I know that he was promoted to a very senior position during that period. Perhaps Mr. Goldie can assist us.

Mr. Goldie: Sure. Tom Goldie, senior vice-president, corporate services. I think in the numbers you're looking at, the first year was a partial year. I don't think that was reflecting compensation for the full year. So the comparison in the increase of whatever percentage you gave of 298% I don't think is totally accurate.

Mr. Hampton: Actually, in Mr. McQueen's case, the figure for 1999 is not available. I'm actually looking at 2000 to 2005 and it shows an increase from \$100,000 in 2000 to \$398,000 in 2005. So the first year, I'm disregarding.

Mr. Goldie: No, I don't think—I think the first year may have been 2000.

Mr. Hampton: Okay.

Mr. Goldie: So I think that's a partial year that you're seeing there. So the movement from \$100,000 to the total number you gave is not accurate on an annual basis.

Mr. Hampton: Maybe I could ask you about Tom Goldie. In the chart I have, in 1999, total compensation was \$185,000; 2005, total compensation is \$493,000. A rough calculation says that's a 166% increase in compensation. Is that accurate?

Mr. Goldie: Yes, I would be able to comment on Tom Goldie.

Mr. Hampton: Okay. I was hoping. You should be able to.

Mr. Parkinson: It might be more appropriate, Mr. Hampton, if I comment on Tom Goldie. The most significant proportion of that increase is due to a promotion that Mr. Goldie received, I believe, in 2003, if memory serves me correctly.

Mr. Hampton: Okay.

The Chair: Mr. Hampton, I'm sorry to interrupt, but I request for members of the committee: Is the document you're quoting from the over-\$100,000 sunshine list?

Mr. Hampton: No. My understanding is that Hydro One, because it is a corporation, has to disclose these figures to organizations, yes, like the Securities Exchange Commission; is that correct?

Mr. Parkinson: Yes.

Mr. Hampton: And that's where these figures come from.

Ms. Smith: Perhaps you could just identify where the document comes from.

The Chair: Mr. Hampton, if we'd like to share the document with—

Mr. Hampton: Yes. I think I just had an indication that the figures come from disclosures that have to be made to the Securities Exchange Commission in the United States.

Ms. Smith: Again, Mr. Hampton, we're asking where the document that you were referring to came from.

Interjection.

Ms. Smith: The document. What you're looking at.

Mr. Hampton: I'm not sure of the source of the document, but I can tell you that our research sat down and looked at the numbers and confirmed the numbers from Securities Exchange Commission documents. I'm simply asking if our research is correct.

The Chair: Mr. Hampton is free to go ahead. If he wants to show that information later on, he can. Please proceed.

Mr. Hampton: Mr. Parkinson, I'm looking at your compensation in 2002, \$557,000, and your compensation in 2005, \$1,563,000. Is that accurate?

Ms. Burak: Perhaps I can speak to that issue. Again, I don't have the specific numbers before me, but in 2002, Mr. Parkinson would have been the chief operating officer. He was promoted to CEO in 2003. As I indicated to the committee earlier on in response to a question from the Liberal member Mr. Parsons, Mr. Parkinson's compensation was increased in January 2005. So both the promotion and the subsequent increases in January 2005 would have accounted for an increase, but since I don't have the specific document in front of me, I'd want to be sure I saw it and agreed with the numbers.

Mr. Hampton: Just roughly, I'd say that the salary has tripled, from about \$500,000 to \$1.5 million, in the space of three years.

Ms. Burak: The job of CEO versus chief operating officer is a very significant difference. So, yes, there would be a difference in compensation.

Mr. Hampton: The other figure I've got—and again, I want to thank the folks who've done some research. We do have other government-owned utilities in Canada. For example, BC Hydro is a government-owned utility, Manitoba Hydro, Hydro-Québec. BC Hydro has assets of about \$4.3 billion. That's about the same as Hydro One.

Ms. Burak: No, that's not correct. Our total assets are just over \$12 billion.

Mr. Hampton: Oh, I'm sorry. I'm talking about revenue. So revenue in billions for BC Hydro for 2005 was \$4.3 billion. Revenue for Hydro One was \$4.4 billion?

Ms. Burak: Again, I can't speak to British Columbia, whether you're speaking about transmission alone or transmission and generation.

Mr. Hampton: I'm just comparing the two hydro corporations. Hydro One has assets, as I understand it, of about \$11.8 billion. BC Hydro has assets of about \$12.7 billion. Hydro One has about 5,300 employees?

Ms. Burak: Fewer than 5,000 now.

Mr. Hampton: Okay. BC Hydro has 4,000 employees. The chief executive officer of BC Hydro is paid \$424,000 a year, total compensation. That compares to

Mr. Parkinson's total compensation of \$1.5 million. As I look at it, the corporations are relatively the same in terms of number of employees, in terms of revenues, in terms of assets, yet the compensation is almost four times as large.

Ms. Burak: I explained earlier to Mr. Parsons the basis on which the board established the compensation program, not only for our chief executive officer but for the other senior managers at Hydro One. I did explain that we use as the comparator group not the one or two utilities in the country that may be close to or comparable in size, but rather a broader list of comparators produced by Hay and Co. I would also say that that comparator list, which is called the "all-industrial group," is a more modest comparator than had been used previously in Hydro One.

The Chair: Mr. Hampton, you have time for one more question.

Mr. Hampton: I would think that the most direct comparator would be other publicly owned utilities in Canada. Isn't that the most clear and transparent comparison?

Ms. Burak: That would be one way of looking at it. Our committee, on reflection and thinking not only about appropriate compensation but the future attraction of staff, would want to go with a broader base, which got us to the Hay all-industrial group.

The Chair: Mr. Hampton, I'm sorry. The time has now concluded for this part of the session. I'm watching the BlackBerry clock very closely, and the time has concluded.

First, before I thank our presenters, I'll let committee members know that the Ontario Forestry Coalition presentation has indeed come together for 1 p.m. We'll have the mayor of Thunder Bay, Lynn Peterson, the mayor of Dryden, Anne Krassilowsky, and Mark Holmes. We were in flux yesterday afternoon, as folks will know. The clerk is handing out the agenda for the afternoon. We'll begin at 1 p.m. with the Ontario Forestry Coalition, AMPCO at 1:30 p.m., the Environmental Commissioner, the Society of Energy Professionals, the EDA and the OFA at 3:30 p.m.

I will also say to members that we are locking up the room, so you're welcome to leave your documents here; there are a lot of documents on the table, so you're welcome to leave them in the committee room.

Was there something else, Ms. Smith?

Ms. Smith: I just want to make sure the representatives from Hydro One have an opportunity to speak at the end again, like the others.

The Chair: Yes, absolutely. Let me say that too. The format we've been following: If you are able to maintain a presence through this afternoon, you're welcome to make some concluding remarks based on the input that the committee will hear this afternoon. There may be some outstanding issues that pop up, and we'd like to give Hydro One the opportunity to comment briefly at the conclusion of this afternoon's agenda on those issues that come forward.

To Mr. Parkinson, Ms. Burak, Mr. Goldie et al, thank you very much for your attendance here today.

Mr. Yakabuski: Mr. Chair, the officials from Hydro One: I'm glad to hear they're going to be addressing us at the end of the day. Do we get to ask any more questions of Hydro One or is that it?

The Chair: It depends on the agenda. Yesterday, we had a lot of time because of the cancellations. Today's agenda is packed, so I would expect that no, we won't have time for that, because then we'll be hitting 4 o'clock, which is the agreed-to concluding time.

Mr. Yakabuski: So we'd have to convince some of the other presenters not to show up, then?

The Chair: You can use whatever methods you want, Mr. Yakabuski.

Folks, again, thank you, Ms. Burak, Mr. Parkinson and the Hydro One team, for being here and responding to members' questions and for the notes you provided the committee. We are now recessed until 1 p.m.; back in the same committee room at 1 p.m. Thank you very much.

The committee recessed from 1202 to 1303.

The Chair: Good afternoon, folks. We are back in session for the afternoon portion of the standing committee on government agencies' review of Hydro One.

ONTARIO FORESTRY COALITION

The Chair: I'm very pleased that the Ontario Forestry Coalition has been able to join us. I know this took a lot of shifts in schedules and certainly travel time, coming from Thunder Bay and Dryden, so I'm very pleased that particularly Mayor Krassilowsky and Mayor Peterson took the time to do so, and Mark Holmes, it's always a pleasure to see you as well.

Folks, the format we follow is that we ask you to make an opening presentation of up to 15 minutes in length. The time that's left in that 15 minutes, up to a half-hour, will be divided up equally among the three caucuses for questions and answers. I invite you to go ahead and make your opening comments. The floor is yours.

Ms. Lynn Peterson: Good afternoon. Thank you for the opportunity to speak to your committee on behalf of the Ontario Forestry Coalition. I'm Lynn Peterson, the mayor of Thunder Bay, and I speak on behalf of a group representing a broad spectrum of stakeholders, including the Ontario forest industries, northern communities, labour unions, First Nations and chambers of commerce.

We came together as a coalition in June 2005 in response to the forest sector competitiveness report, the 22 recommendations that we wanted to see implemented. For the past six months we've been working on the energy side of the requirements to make the forest industry competitive in Ontario. Now we are working together to make Ontario's electricity rates and policies competitive and to maximize opportunities and minimize losses for Ontario's forestry sector. Ontario must have an affordable, competitive and reliable energy supply. At present, our electricity supply is none of the above.

High prices have been a significant factor, contributing to forest product companies' curtailing production, shutting down mills and laying off people. Since 2001, electricity prices have risen 60% in Ontario, a higher rate of increase than in any other comparable jurisdiction in Canada and the United States.

Currently, industrial electricity rates in Ontario are among the highest in North America and the highest in Canada. Ontario's total delivered electricity costs are currently at an average of about \$70 a megawatt hour, prompting Navigant Consulting Inc. to report in its assessment to the Association of Major Power Consumers of Ontario that Ontario industry—and that's all of it—is being put at a distinct and growing competitive disadvantage.

One international company that operates similar mills in both Ontario and Quebec records an enormous disparity in electricity costs between the two jurisdictions. In one year, electricity costs from operating in Ontario were \$21 million higher than in the province next door. That difference in cost can mean the difference between operating at a profit or a loss and determine whether a mill stays open or closes its doors.

In countries around the world, governments keep industrial electricity rates affordable. Less expensive electricity is a key tool for attracting investment in industry that in turn provides jobs and economic prosperity. Electricity—its cost and availability—must be looked at as an economic development and maintenance tool. Competitive electricity pricing is key to keeping this province working and particularly important to the province's forest industry and the 270,000 people directly and indirectly employed by the sector.

That's why on April 27, 2006, the Ontario Forestry Coalition unveiled to the province a straightforward two-step plan to restore electricity pricing competitiveness. Included in that plan was a kit containing some of the tools necessary to achieve the goal that would assure, for a three-year period, \$45 all-in delivered electricity to the forestry sector, and we asked for it by September 2006. The \$45 rate does not make Ontario the most competitive in Canada. To the contrary, rates in neighbouring provinces would still be lower. But the \$45 rate at least gets our industry into the ballpark and back into the game so we can maximize our opportunities and minimize our losses, and our losses have been great. So that's what this plan is all about.

It continues to be clearly stated that, with an ominously long and growing list of forest industry closures, time is absolutely, absolutely not a luxury that the forestry sector in Ontario can afford, nor can our communities wait as their primary, and sometimes only, employers close.

This is the same message of urgency we issued months earlier when the government promised electricity rate relief, first on September 29, 2005, and again on February 22, 2006, when the Premier said:

"I recognize that a stable supply of reasonably priced electricity is critical" to your industry "for long-term competitiveness.

"Forestry uses a lot of electricity—a lot more than auto or steel. And I know you are watching over every megawatt.

"The cost of electricity can be twice as much as in neighbouring Quebec and Manitoba. That means we have to work twice as hard to stay competitive.

"We will do what we need to do"—these are the Premier's words—"to assure a stable supply of energy at a reasonable price."

We've waited for action, and on July 24, 2006, we reminded the government again, this time with a report card that unfortunately gave a glaring "F" for the efforts on electricity reform.

From considerable media garnered from that July 24 press conference, I'd like to quote my colleague, NOMA president and Greenstone Mayor Michael Power, who referred to the Premier's promises of action on electricity pricing by saying, "We are many, many months down the road [and] we still have not seen the light of day on initiatives that assure stable, affordable electricity rates."

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Kenora Mayor Dave Canfield, who has seen his community decimated by mill closures, observed that Kenora has lost 500 jobs out of a workforce of 8,325. Using the MNR's own job multiplier formula, that means his region has seen 14.8% of its workforce left unemployed. If you compare that number and look at what that would mean in the city of Toronto, that's the equivalent of about 405,000 jobs. Mayor Canfield summed up the situation, saying, "These job losses are killing our communities. Our youth, our skilled workers leaving. The out-migration to economic hot spots like Alberta is draining our community and it will be very difficult if not impossible to get these people back."

I too have witnessed the devastation as the city of Thunder Bay has endured 2,500 direct job losses and the community turmoil and stress placed on our families, and that does not include the latest, which was this morning's news: "Bowater suspends" newsprint. That's another 300 jobs. Last week it was Nipigon.

Here we are, another two months almost past, and still nothing. We've heard promises that something is coming. Rumours of a regional electricity pricing plan for northern Ontario were certainly heard at last month's AMO conference in Ottawa. In the meantime, as I have said, Bowater in Thunder Bay just yesterday announced that 300 of its workers should stay home, citing high energy and fibre costs as the reason for a 15-day shutdown.

Last week of course it was Red Rock, with another 350 people unemployed and another community without jobs and fast running out of hope. Kal Pristanski, who's the reeve of Red Rock, says, "Energy prices were the final straw." It led to the closure of the mill and the devastation in his community. It's gotten to be too much.

I'd like to ask Mayor Krassilowsky to speak next.

Ms. Anne Krassilowsky: Good afternoon. As my colleague Mayor Peterson has said, this is the absolute devastation, and it's a reality. In our communities it's very real. The more jobs that are lost, the emptier our communities become. We need our government to help us. It's not impossible. It's doable and we need to get it done.

My community has lost 27% of its jobs. In Toronto, if a 27% loss occurred, that would be almost 767,984 jobs. The closure-curtailed operation at Bowater will see a 25% reduction in softwood delivery in my community alone. So it doesn't just affect one community. It's far-reaching over the whole of the region.

I know that Dryden's mill, and our main employer, is at risk, and we certainly know that electricity is a major cost component. We need the Ontario government to be working with us to solve these problems.

In response to Dow Chemical's 350-job loss last week, Premier McGuinty said he immediately mobilized government ministries to help respond to the job losses—all hands on deck. The Ontario forestry job loss is 8,000 direct jobs in Ontario; the indirect are uncountable.

We've sent a letter to the Premier, a letter that, in closing, I'd like to read to you.

"Dear Premier McGuinty:

"At the recent AMO conference, a number of the delegates from the northwest heard your Minister of Natural Resources indicate to the bear-pit session on August 15 that your government would address Ontario's uncompetitive electricity rates by implementing regional pricing for all of northern Ontario and that these changes would be coming 'sooner rather than later.'"

Nothing is nothing. Too little, too late, is still nothing.

"Premier, without action to reduce the cost of electricity to" an all-in "\$45 per megawatt hour or less further devastating forest industry mill closures are likely. As you are aware, electricity is much cheaper to produce in northern Ontario, and if your government will provide industry with competitively priced electricity, you will assist in rebuilding our economies and reversing the effects of massive job loss and declining tax base. We believe that should the province's regional pricing plan achieve the \$45 all-in delivered electricity cost (or less) for the north, a tremendous economic development tool will have been established.

"Premier, we cannot wait any longer. If this decision is not made immediately, the damage to our economy might not be repairable. Every day you wait, another mill comes closer to its closure.

"For this reason, we expect you to make an immediate announcement.

"Premier, we look forward to your speedy response.

"Yours truly,

"Michael Power

"President, Northwestern Ontario Municipal Association."

To the members of this committee: Our communities cannot wait. Government has got to take action now, and the action can't be watered down and it can't be a band-

aid approach. We have got to have competitively priced electricity and that means \$45 or less per megawatt hour all-in electricity pricing, and we've got to have the solution now. Our communities are frustrated, they're almost paralyzed in fear, the door is opening, people are walking, you know they're not going to come back and we can't afford any more mill closures and job losses. The community turmoil that is going to continue if action is not taken now is more than devastating. On behalf of the Ontario Forestry Coalition, thank you for listening, and we thank you for taking this urgent message to the government of Ontario.

The Chair: Thank you, Your Worship. That concludes the presentation.

Ms. Peterson: Your Worships.

The Chair: Your Worships, both; exactly. Thank you both for making the trip from Thunder Bay and Dryden respectively to join with the committee this morning. I know it's a long trip on short notice. Thank you for bringing the concerns of your community directly to the committee, on behalf of all committee members.

The presentation was about 12 minutes long, so that will give us just about five and a half minutes per caucus, beginning with the third party: Mr. Hampton.

Mr. Hampton: I want to thank you for coming here today on short notice. I want to thank you for repeating this message over and over again several times.

I want to share with you a document, and I'll share it with the whole committee. This is actually research done by Manitoba Hydro. Manitoba Hydro does an annual survey. What Manitoba Hydro does is they don't just look at rate; they look at the all-in cost. They actually call industrial enterprises and say, "Will you confidentially tell us what your hydro bill is for the month?" For a very large user of electricity—I'll give you an example—Bowater's mill in Thunder Bay is a very large user of electricity. The Weyerhaeuser mill in Dryden used to be a very large user of electricity before half of it was shut down and 500 jobs were put out the door. But Manitoba Hydro's figure says that for a very large user of electricity such as the Bowater mill, in Ontario a \$5-million-a-month hydro bill is not unusual. The same plant, if it were operating in Manitoba under Manitoba Hydro's rates, would pay only \$1.8 million a month. The same plant, if it were operating in BC, would pay \$2.154 million, and Hydro-Québec, \$2.631 million.

What I've heard from mill managers is they're simply saying, "Look, when I go to the corporate office and I try to argue for more investment in my mill, when I try to argue that there are things we can do, what I'm told by the corporate office is, 'Get lost. We are not investing in Ontario when hydro rates are that far out of scale.'"

My question would be, I guess to the three of you: Is that consistent with what you are hearing in your communities?

Ms. Krassilowsky: Absolutely; without a doubt. Weyerhaeuser had planned different renovations and refurbishments but it's not possible, and it's exactly the message.

Ms. Peterson: I think there's no doubt about it. That's a message that we've been bringing to the community and to the world for the last two years. That was what came out of the forest sector competitiveness study. There are 26 recommendations that are absolutely solid. The reason that that committee was even struck was there was a recognition that the forest industry in Ontario—and it looked at the forest industry, but we have to think there are other industries in this province that are in the same boat. They're not on the front line taking the hit at the moment, but they may very well be next. It's the whole issue of industry in Ontario not being competitive. If your head office is here or anywhere else, the idea of investing tens and hundreds of millions of dollars into an industry that is not competitive is just not good business sense.

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One of their biggest costs is energy. In a pulp and paper mill it's up to 30% of their bottom line. Certainly they're going to look to jurisdictions where those kinds of costs are not being incurred. They need to be investing in places where they see they can make money, and they cannot in the province of Ontario.

Mr. Mark Holmes: We have two member companies operating both in Quebec and Ontario. One member company operates mills that are almost identical on either side of the border. The difference in their electricity bills in the course of one year, in 2005, was \$21 million. That's the difference between a mill staying open or closing. If a hard decision has to be made on which mill closes, you can just about be assured where it's going to happen, and that's where it's going to cost \$21 million more to operate.

Mr. Hampton: I am told by folks who work at Hydro One and Ontario Power Generation that some of the falling water electricity that's generated in the northwest is generated at less than half a cent a kilowatt hour and that the transmission cost is not excessive. If you took the actual cost of generating electricity in northwestern Ontario and the actual cost of transmitting that electricity in northwestern Ontario, a rate in the neighbourhood of three and a half cents or four cents a kilowatt hour, delivered to the industrial complex, would not be out of line. What are you being told?

Ms. Peterson: Exactly the same, and that's what we've been telling people. The fact of the matter is, northwestern Ontario in particular has excess supply. I'm not sure that a whole lot of people understand that when there was a blackout in the city of Toronto, we were actually shutting down generation. We had excess and we couldn't get it out to help in the south. We have lots of power and at cheap rates, yet it defies any kind of sanity, in my view, that our industry would have to be closing down because of energy costs. That makes absolutely no sense. I can't connect the dots there; sorry.

The Chair: Thank you, Mr. Hampton. That concludes the time for the third party. To the government side: Mr. Gravelle.

Mr. Gravelle: Mayors Peterson and Krassilowsky, welcome. Mr. Holmes, it's good to have you here.

I think it's important for the committee members who are here to also understand, as I think they do, that the presentation by Mayors Peterson and Krassilowsky in no way overdramatizes the reality of the situation. It's extremely grim, and we are continuing to have these announcements. Mayor Peterson made reference to the Bowater temporary layoff and the Norampac issue in Red Rock last week as well, so there's no question about it.

I think it might be useful—Mr. Hampton alluded to it in a way—for all the committee members if you could explain why it is that regional energy pricing actually is a legitimate request. This is not asking for something that we shouldn't be asking for, because of the whole cost factor and because of the excess supply. I'm wondering if you could, even just briefly, explain to the committee why indeed it's a fair request, a legitimate one for us to be looking for in terms of regional energy pricing.

Ms. Peterson: From a northern perspective, the cost of generating and producing energy in northern Ontario, as I say and as Mr. Hampton has said, is less than four cents. That's \$40 a megawatt. Our industry right now is paying \$70. It makes no sense. We produce power that we can't use. We shut down generation when there are needs elsewhere because there's no way to get the energy out of northwestern Ontario into the rest of the province.

I describe it to friends who can't visualize it as like sucking a milkshake through a small straw. There is some capacity to get some down to the southern regions where it's needed, but it can't come fast enough. As a result, we have all of this left over. We know what the cost is. We watch our industries struggle and collapse, as so many of them have, and we watch our families and people go without jobs and then look and wonder why, when we're producing it at around three and a half cents a kilowatt hour. It makes no sense.

If we produce it and if it's there and available for our industry, why cannot we use that as an economic tool to keep the industry that is there healthy and to attract new industry into northern Ontario and into this province to make it a healthier economic viability in terms of the entire province? It just makes no sense.

Mr. Gravelle: That's exactly where I was hoping you'd go, because that's exactly what companies have told me as well. This would not just help the companies survive and help them reinvest and make those capital investment decisions that they are putting off, including the decision that Bowater held off on the \$2-million project, which is vital to their continued operation. They have to move forward on that.

The Ontario Forestry Coalition has been very effective. It's an extraordinary coalition, and you have been effective in terms of having the government listen to you on previous issues. Back in February, we had an announcement related to the delivered wood cost, which I think the coalition can take a great deal of credit for, but what are you hearing? The Premier was in the northwest a couple of times in the spring and spoke both times

about reviewing regional energy pricing. I know you have had some opportunities. Mayor Peterson, I'm not sure if Mayor Krassilowsky was part of that in terms of speaking to senior officials, shall we say, in the government about where we're at. What can you tell us you heard, even at AMO, this past August?

Ms. Peterson: The city of Thunder Bay had a minimum of seven meetings. It was, of course, in every discussion I had with every minister, and I continued to hear, "We are working on it. It's coming." I've heard incredibly positive and encouraging pieces, but you know what? I need it now. We needed it six months ago. We cannot wait. Every day, we have more closures, for reasons that make no sense.

Mr. Gravelle: Message strongly delivered. Thank you.

The Chair: Thank you. We appreciate it. The official opposition: Mr. Yakabuski.

Mr. Yakabuski: Thank you very much for joining us and making your presentation today. Just to maybe encapsulate what you've done here, how many jobs have been lost in the forestry industry since 2003?

Ms. Peterson: In northern Ontario?

Mr. Yakabuski: In northern Ontario.

Mr. Holmes: Eight thousand.

Mr. Yakabuski: Eight thousand.

Ms. Peterson: Direct jobs.

Mr. Yakabuski: Eight thousand direct jobs. It would seem to me that there are a number of things at play. There are regulatory issues that you have to deal with with regard to other jurisdictions, the amount of regulatory paperwork and all of that kind of stuff that we have to go through here in the province of Ontario. You've also got exchange rate issues. But your presentation today would indicate that the number one issue for your businesses up there is the price of electricity. Would that be fair?

Ms. Peterson: There were three big issues: delivered wood costs, red tape, and energy.

Mr. Yakabuski: Okay. I didn't get here for the first part of your—

Ms. Peterson: As Mr. Gravelle has indicated, we've been very successful in some of the actions. It's the energy piece. It's like a three-legged stool. Without that third piece, which is the energy piece, the stability is not there.

Mr. Yakabuski: There have been lots of promises to look at it and stuff like that and undertakings that we're going to do another study, but you're still waiting for any concrete action with regard to that issue.

Ms. Peterson: Unfortunately.

Mr. Yakabuski: Just so that people understand, when the price of electricity spikes in southern Ontario because of high demand, your people in northern Ontario are subjected to that same spike in electricity rates.

Ms. Peterson: Absolutely.

Mr. Yakabuski: Even though none of your power, relatively speaking, for the most part, is going out and none of southern Ontario power is coming in. Correct?

Ms. Peterson: It is so minimal, it's not worth talking about.

Mr. Yakabuski: Minimal. We realize we're talking minimal, but for all intents and purposes, nothing's going out, nothing's coming in. You're an isolated system up there. Your having access to cheaper power in your jurisdiction would have no effect on the supply, and/or, accordingly, the price of power shouldn't have any effect on the price of power in southern Ontario. Would we agree on that?

Ms. Peterson: We'd agree.

Mr. Yakabuski: So basically, it seems to be an issue that most fair-minded people in southern Ontario would not likely dispute that, because you might as well say you've got your own system up there, you're producing your own power at a much lower rate than most of our facilities can produce power, and we have an opportunity, again, if we can fix some of those other things you touched on—the raw fibre costs, the regulatory regime of electricity—to probably deal with many of your problems if we are able to deal with the pricing issue of electricity in northern Ontario.

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Ms. Peterson: I would agree. I also would add that northern Ontario has capacity for far more generation than is currently being utilized. I think it would be a wise decision for the government to actually look at the amount of energy that could be produced up there to supply the entire province, but that is going to take a long, long time. We don't have that time.

Mr. Yakabuski: So in the long term, we should be finding ways to export, if you want to say, that power from northern Ontario, for use everywhere in the province. It would tend to minimize your argument for regional pricing, but as you say, in the short term it's about survival and it's something that you say you need now: No more delays; the decision has to be made.

Ms. Peterson: Correct.

Mr. Yakabuski: We share that point of view.

The Chair: Thank you; I appreciate it. To the Ontario Forestry Coalition, Your Worships, both, thank you for making the trip to the committee to bring forward your serious and obvious concerns.

Ms. Peterson: Thank you for the opportunity. We really appreciate it.

The Chair: I'm glad you made the trip. I do understand there will be a report coming to the committee, through the clerk's office, to distribute to committee members. Am I right? There's some written documentation in support?

Mr. Holmes: There will be a full package delivered to the clerk within the next day.

The Chair: Outstanding. Thank you for your time.

Ms. Peterson: Thank you for yours.

ASSOCIATION OF MAJOR POWER CONSUMERS IN ONTARIO

The Chair: Folks, the next presenter is the Association of Major Power Consumers in Ontario, a.k.a. AMPCO. Welcome, Mr. White. Nice to see you again. Adam White is the president of the Association of Major Power Consumers in Ontario. He seems to be working the room like a politician. We'll see what riding he's going to be running in next time around. Mr. White, welcome to the standing committee. You've been here in attendance, so you know how this committee is operated. You're welcome to make some opening comments, up to 15 minutes in length. Any remaining time will be split evenly among the three caucuses. Sir, the floor is yours.

Mr. Adam White: Thank you, Mr. Chair and members of the committee. It's an honour and a privilege for me to talk to you today. I'm thankful that you have invited me. My comments are, I think, going to be relatively brief. I'm very interested in hearing what questions you may have, and as far as possible I'll try to answer them.

There is a slide presentation that I provided to the clerk. I hope I've made enough copies for you. I can provide that electronically subsequently, and so on.

I thought I would take the opportunity just to describe to you briefly who AMPCO is and what it is that we do. We are the Association of Major Power Consumers in Ontario. We're a not-for-profit organization that is owned by our members. We've been in existence for over 40 years. Our mission is to promote the competitiveness of Ontario industry by advocating for reliable supplies of electricity at affordable rates. We represent 56 of the largest power consumers in Ontario in forestry, chemical, mining and minerals, steel, petroleum products, cement, automotive and other manufacturing industries.

I am fond of starting presentations that I make in almost every forum with a reference to the legislative framework in which the electricity sector operates, because the structure and regulation of the electricity sector has changed a lot in recent years. It is a creature of legislation and I think it's important. So this slide speaks to the legislative framework. It's important, at least in my mind and in the minds of our members, and I would draw your attention to some of these clauses that are contained in the purpose of the Electricity Act: "adequacy, safety, sustainability and reliability"; "efficient use"; efficiency ... in the generation, transmission"; "protect the interests of consumers with respect to prices and the adequacy, reliability and quality"; and "facilitate the maintenance of a financially viable electricity industry." All of these are important, and it is the view of our organization that they do provide a comprehensive and appropriate framework within which the sector can operate and ought to be regulated.

AMPCO's interests, like any customer's interests, are to have reliable supplies at affordable prices. We don't

just look at the commodity price of power. We look at the price plus uplifts plus transmission tariffs, distribution tariffs, various kinds of levies and taxes and charges, and what we look at, at the end of the day, is the total cost of power. How much power do we need to produce our product? How much does that need to cost so that we can remain viable? You've heard from the previous deputants to your committee I think a more compelling story than I can tell you now about the potentially negative impacts of high and rising electricity costs on the competitiveness of our industries in Ontario, in particular in the north, in particular the resource-based companies that are under pressure from other factors.

In addition to prices, and consistent with the purpose of the Electricity Act, we are concerned about the adequacy, reliability and quality of electricity service. We do observe, and I think would support arguments that others will make, that the transmission infrastructure has not been adequately invested in for some time. We are deeply concerned, and some of our members are more concerned than others, about interruptions to electricity service. You may be aware of outages and power quality issues in the Sarnia-Lambton region that have cost some of my members millions and millions of dollars. A 17-second outage in one case caused a company to experience losses of \$17 million, \$20 million—something like that.

In addition to the general state of the infrastructure and the need generally to keep that infrastructure up to date and operating adequately, we do see critical needs in specific locations. As well, there are opportunities in specific locations to reduce congestion, to reduce losses on the system and to improve the flow of power and provide greater power quality and greater reliability for customers. Of course, we're interested in and supportive of investments that would seek to meet those needs in those locations.

The other thing that I am sure you will have been made aware of relates to the long lead times for investments in this kind of infrastructure. Transmission, by its nature, is linear. When you're building a generating facility, it's in one place. When you're building a transmission line it's between two places, so it has impacts and impinges on the interests of a lot of people almost by definition.

The next slide: In trying to anticipate some of the questions you might have, I thought I would give you a general picture of the electricity rates for industrials over time and the components of that. This chart that I show you on page 5 is just a compilation of some of the data that show industrial rates in Ontario since 2001. I have made the point previously and publicly that electricity was once, and for a long time, a source of competitive advantage to Ontario industry. That is not the case at the present time. I was interested to hear the previous deputant's comments about regional pricing. I think there are opportunities. There are policy opportunities and there are regulatory opportunities to reverse the trend, and obviously we are deeply interested in some of those.

The next slide is intended to put in perspective transmission costs in relation to the total cost picture for customers. You can see here, based on these numbers, which I would interpret as being indicative as opposed to absolutely true and accurate, that transmission represents about 7% of the power bill for an industrial customer. Of course it depends: It depends on how that customer uses power, it depends on their pattern of use over time, what their peak is in relation to their average and how the tariff structure works and all these kinds of things. So really I would interpret these as indicative.

What I have also shown on this slide is looking at our own members and their power consumption in an approximate way to give you a sense of scale. So the average AMPCO member spends \$27.5 million a year on the commodity and just less than \$2 million a year on transmission. Our smallest members will spend \$1.6 million on the commodity and about \$100,000 on transmission, and our largest will spend \$160 million a year or more on the commodity and as much as \$11 million on transmission. So you get a sense of the scale of things.

When I look at this and I'm assessing how to prioritize my time in serving my members' interests, it falls out fairly obviously where I should be focusing my time. It isn't to say that transmission isn't important, and that's why I'm here, and we can talk about some of those things that we think are important.

Moving to slide number 7. To be fair and to be frank, when I talk to my members these days and ask them what they think, and I have done so in preparation for this, they're happy with Hydro One: They are happy to acknowledge that there's been significant improvement overall in the operations of that company; they think that that company is better managed now than it was in the past; they think it has a more tightly focused operational strategy, and that is obvious. It is a company that is not trying to do a number of things it was previously trying to do. You will have heard probably in much greater detail from the chair and CEO of the company what their operational focus is.

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From a financial perspective, the company is performing. It's paying dividends, it's paying a return to the shareholder and to the citizens of Ontario, and this is what we would expect from them. I wasn't able to attend this morning but I am informed that when they surveyed large customers, many of whom are my members, the overall results in terms of customer satisfaction were positive, and increasingly positive.

That being said, we do have some issues. We've been talking to Hydro One about this and I'm very pleased with the reception that this kind of input gets when I talk to the folks at Hydro One. We are anticipating that Hydro One will be developing an application to the OEB for transmission rates sometime this fall, and there are a couple of things we're looking for in that application. We are seeking changes in the tariff structure that will better encourage industrial customers and business customers to manage their electricity demand, in particular to shift

consumption away from peak to off-peak periods. The tariff structure as it currently exists and has been in place now for a number of years goes part of the way; it can be improved. So we're looking for those improvements.

In respect of the capital program—and I have acknowledged that we support investment in the infrastructure. But at the same time there is a lot of money being talked about in terms of what is going to be spent or what potentially could be spent on transmission. We are talking billions and billions of dollars, as I understand it. So what we are looking for from Hydro One and from the various regulatory agencies that are engaged in this exercise is some clarity on planning laws and responsibilities: Who makes what decision at what level of detail; who develops the business case for what investments need to be made, and what does that business case look like; what are the priority projects; and if we're going to spend a lot more money than customers can afford all at once or that the company can deliver all at once, what are those projects that are going to get built first and soonest? The long lead times in the biggest projects: Some of those might be the ones we need to get started on first just because they're going to take the longest period of time.

It's not clear to us how this is all going to play out. The Ontario Power Authority is yet, to my mind, still in the early days at least in terms of producing the level of detail that they have been able to show to us. We haven't yet seen the rate application from Hydro One. I expect that when we do, it will have a capital spending component to it and we'll take a very close look at that. We are very interested in a process that's been under way at the Ontario Energy Board related to generic filing guidelines for transmission and distribution projects, which I think is critically important. The more comprehensive and the more sound the methodology behind those filing guidelines, the more we can be comfortable that we're going to get the evidence we need to see before the board and that the right decisions are going to be taken at the right time.

Ultimately, we're business people. If a case can be made that the benefits of investment exceed the cost, then we're going to be supportive of it. If it's a good business decision, then it's something we're going to support. If we're not persuaded it's a good business decision, it's going to be difficult for us to support it, and that's just common sense.

We are interested as well in performance benchmarking. I am sympathetic to Hydro One, at least the way they have described themselves to me, as they are not like other distribution and transmission companies in Ontario. It's true; they're not. Their customers and the geographic dispersion and so on of their customers is quite different from the others. But what we would like to look at in the course of their business over time is some benchmarking, not only against their past performance but against their peer group and against other kinds of transmission/distribution companies elsewhere. The question really comes down to, are we getting value for

money; are the performance expectations that they're setting for themselves and that we're holding them to appropriate and so on? I think again common sense.

Those are my comments. I hope that's useful to you. I'm very interested to hear what kinds of questions you might have.

The Chair: Absolutely. Mr. White, thank you very much for your opening comments. That leaves about five minutes per caucus, beginning with the government side. Mr. Parsons.

Mr. Parsons: Thank you for being with us, Mr. White.

You have 56 members. Do you have a sense, in terms of electricity consumption in Ontario, what percentage those 56 together would—are they using 10% of our electricity or 60%?

Mr. White: Based on the data I have from 2004, which is the most recent comprehensive data I have, our members consumed about 14% of total primary electricity demand in Ontario.

Mr. Parsons: I don't know if it's possible to answer this, but if you had to prioritize, which is more important for your members: reliability or price?

Mr. White: It depends. If you're running an ethylene cracker and electricity is a relatively small part of your operating costs, reliability is paramount. If you're operating a scrap steel smelter and a rolling mill, you can tolerate interruptions. What that kind of company is looking for is the total cost of power. Even within the mining sector, there are key differences. There are open pit mines where the consumption of electricity mostly relates to grinding and crushing. They can tolerate outages. But if you've got people underground and you're using power for pumping, ventilation, lighting and to evacuate them to the surface, power outages make you extremely nervous. So it depends. I would say, over time, though, given that we by and large have a reliable system, the priority for me in my role as the president of AMPCO is the total price of power.

Mr. Parsons: I have a sense, not substantiated by data, that a number of the large industries in Ontario are in Ontario because of our electricity system, which has traditionally been reliable and competitive. Is that still the case?

Mr. White: Well, the ones we have here I think are here because of the way it used to be. I'm not sure that the current state of our electricity sector is attracting much new investment here unless it's in the electricity sector.

Mr. Parsons: I had the pleasure of serving on the select committee on alternative fuels three or four years ago now. We talked to representatives from large industries at that time who were actively considering co-generation, saying, "We want to have a backup that ensures reliability, and then maybe we can sell some electricity into the grid and actually make some money on it." Has that unfolded? Is it happening?

Mr. White: There is some potential for that. My view—I'm not an expert—is that it's rather limited.

Some years ago, when natural gas was trading at \$2 per BTU, I think that was a much more viable option than it is now with natural gas. If you look at NYMEX, natural gas is trading at about US\$10.

The thing about cogen.: First of all, it is inevitably non-core business for my members. We're in the steel business, the chemical business, the pulp and paper business; we're not in the power business. Some of our members have been operating cogen. for years in one way or another. The pulp and paper and forestry sectors are good examples; so is the chemical sector. I spent some years working with TransAlta and we developed a cogeneration project in Sarnia. That's a very good example because those companies need process heat, high-pressure steam, and they need power and enhanced reliability. That TransAlta project was an ideal fit for that. But when gas prices are expensive, as they have been and look to continue to be, then the viability of that project from a merchant electricity perspective is really in question. Because these are non-core types of investments, they tend to be expensive and complicated. If the economics aren't there, I'm not sure we're going to see much investment there.

The Chair: We have time for one last question, if you want, Mr. Parsons.

Mr. Parsons: Your association represents a very significant portion of the electricity market in Ontario. I get the sense, which you reaffirmed today, that by and large your industries are quite happy with Hydro. Just between you and I—no one else needs to know—

Mr. Yakabuski: Shut those recorders off.

Mr. Parsons: That's right. Are there things that could happen where Hydro could serve you better—either more regular contact or whatever? Is there room for some improvement, recognizing that things seem pretty good now?

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Mr. White: I suppose. I don't remember the exact number, but I think that the recent large customer satisfaction survey said that total customer satisfaction was around 90%. So there's clearly room for improvement. We could get it to 100%.

If there is one issue that has been brought to my attention over time—and it doesn't have to do, I don't think, with the management or operation of the company: We have members in the north who tend to be fairly remotely located. One example I would think of would be Marathon pulp and paper in Marathon. They're at the end of quite a long radial line, and the risk and probability of outages and time to restore power to a customer like that is proportional to the length of the line. For those folks, they do feel vulnerable because if a tree falls on the line or lightning strikes it, they lose power, they go down, they can't operate and then it takes some time to get back. I would be very interested in talking to Hydro One about how we meet the needs of the most vulnerable customers. That town of Marathon depends highly on that pulp and paper mill. You've heard from the previous group here how vulnerable that industry is, generally

speaking. Is there something we can do? Are there investments that can be made that will reduce the risk of outages and improve restoration times? I would be interested in that.

The Chair: To the official opposition: Mr. Yakabuski.

Mr. Yakabuski: Thank you very much for joining us today, Adam. I was going to say, if you had given an answer that there's no more room for improvement, I would have moved that we shut down these hearings immediately. I think we can always find room for improvement, of course.

You talked about the importance of security of supply and also of price. I know your members were pretty concerned over the last couple of years with the government's initiative with regard to shutting down a large portion of our supply. Now that they have backtracked on that, would you say that the feeling among your members has improved with regard to a sense that the electricity that they need will have a greater likelihood of being there as we go forward?

Mr. White: I think it's important to acknowledge that the government always said they wouldn't do anything to jeopardize the reliability of supplies to Ontario. So we were never seriously concerned that generation that was needed was going to be shut down before replacement power was in place. What we're concerned about is the price of power over time. I'm very respectful that public policy is made in a social context, and it is up to Ontarians to choose what they want and for their government to put those choices into policy.

There are obvious benefits to reducing the use of coal as a source of electricity generation. What we took pains to investigate were some of the costs of making that decision in a way that was potentially too hasty or perhaps not fully thought through. So we did, this spring, as you suggest, express our concerns about what the economic implications were of policy choices around the electricity sector. Supply mix is key. Whether we are happier now or not, I don't know for sure. I think one would want to talk to individuals in the sector. Personally, I am not less anxious about the prospects for Ontario's industrial economy than I was a year ago.

The chairman of my board is to be laid off at the end of September from his company, which is Bowater in Thunder Bay. We saw in the paper yesterday that 320 jobs are going to be lost while those paper machines are idled for a period of time. We heard from the previous panellists how many jobs in total have been lost over the past few years in the forestry sector. My membership numbers are down over last year and down over the year before, and there's all sorts of uncertainty. I was speaking with one of my members who until recently worked for Falconbridge and now works for a different company, and the same is happening at Inco and at Dofasco. Meanwhile, the cost pressures for industry in Ontario are not really subsiding: interest rates are up, the exchange rate is up, electricity costs are up, the cost of delivered fibre—all of these kinds of things. The pressures are there just as much as before. So I think we still have

some serious concern about the role that the electricity sector plays in promoting the competitiveness of our industrial economy.

The Chair: There's time for one last question.

Mr. Yakabuski: Mind you, the costs that you had indicated significant concerns about, should they have proceeded with their plan, were never manifested because none of that has actually happened. My question would be, because you made that statement: When the Premier made the statement that he would be shutting down coal-fired generation in the province of Ontario by 2007 come hell or high water, did you simply not believe him?

Mr. White: You're putting me in a difficult position.

Mr. Yakabuski: I certainly am.

Mr. White: I'm not a politician.

Mr. Yakabuski: Oh, I don't know about that.

Mr. White: In all honesty, it's not always clear to me what motivates political decisions. What I am concerned about, at root, is the policy, the structure, the regulation of the electricity sector in Ontario: Does it or does it not promote the economic competitiveness of the province? If I were to wear the Premier's shoes for a day, I wouldn't be so worried about the technical details of electricity regulation. I'm more interested in the overall competitiveness of Ontario as a viable entity. Electricity is an input to that. I do worry that there's a lot of theorizing about the appropriate way to regulate electricity and I worry that we could kill the goose that has laid the golden egg.

I've been doing this long enough that I have worked for and with a number of governments. We have to pay attention to what it is that we do and pay attention to trying to keep our businesses viable.

The Chair: To the third party: Mr. Hampton.

Mr. Hampton: I'm particularly interested in the comment you make on page 8 of your submission: "Transmission rates: Seeking changes in the tariff structure to encourage demand management and peak load shifting." I'm asking if you can elaborate on that.

Mr. White: This gets detailed quickly. I'm not sure whether Hydro One spoke to you about that this morning. I'll give you my perspective and I hope you won't hold me to it because it might not be accurate. The way that the OEB regulates Hydro One and the way that Hydro One seeks to be regulated is that they look at the assets they have and divide those up into various pools. So there's the network pool, which is the backbone, the sort of 400-series, to use the highway analogy. Then there are line connection assets—for example, the line that would connect Marathon might be one of those assets. Then there are transformation assets: When you step down from transmission voltage to a lower voltage to a lower voltage and finally bring it in the plant gate so that it can run the motors and so on.

Mr. Hampton: Transformer assets.

Mr. White: Exactly, transformation assets. There are these different pools of assets, for each one of which there is a different approach to how the cost of those

assets are recovered. Ultimately, it's Hydro One's objective to earn a fair return on all of those assets and to have some kind of certainty. The charge that a customer would see depends on which of those assets they take power from and it also depends on what their peak demand is, because a component of the tariff is based on demand, and then part of it is based on how much volume they use within a given period of time, because some of the tariff is based on energy consumption.

The way that it works now, on the demand side, is that a fairly large fraction of the charges are based on either your peak demand at the time of system peak or your peak demand that is non-coincident with the time of system peak. The point of that, as I recall, is to give Hydro One some revenue certainty. If all of your transmission or a good portion of your transmission charges are based on your demand at the time of system peak and you avoid the peak, Hydro One may be in a position where they can't recover any revenue from you. But at the same time, we need to build the transmission system to manage peak system demand. If you're not contributing to that peak system demand and in fact if you're doing exactly what government policy wants you to do these days, which is to manage your consumption so as to reduce the stress on the system during those peak periods, then we think there should be a clear reward for doing that and a clear incentive for industrials to do that.

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So it's a question of juggling how much of the demand charge on how much of the assets is on coincident versus non-coincident, and so on. There's no silver bullet here for us. This isn't going to reverse the fortunes of the forest industry—it's not. But for some members of mine who are able to manage their demand, there is value in this kind of a change for them. I'm hopeful, given the change in political context around demand management conservation from the time these charges were first put in place, that we can tilt the balance a little bit more in favour of promoting conservation.

Mr. Hampton: I've actually been in a paper mill, say, in the month of June or July when the temperature starts to rise in southern Ontario. A paper mill will typically have a graph showing you the cost of power in that 15-minute interval. As they watch the cost of electricity, the all-in cost—generation, uplift charges, transmission, everything—the paper mill starts shutting down operations. They just shut one machine down after another. What I've heard from paper mill managers is, they're saying, "Look, we're doing the responsible thing. We're doing the responsible thing financially, because if we didn't shut down we'd go broke." Corporate headquarters, whether corporate headquarters is in Tacoma, Washington, or in Montreal, would say, "We're just going to shut you down permanently if you don't make those adjustments." But they're saying, "Look, we're also doing the responsible thing in terms of Ontario's electricity usage. We're trying to lower our usage of not only the generating assets but the transmission system at a time when the system is stretched, but we get no

compensation, or very little compensation—no recognition of that in the rate structure.”

Is that the nub of the issue for a lot of your members, or some of your members?

Mr. White: First of all, to put it in perspective, transmission costs are about 7% of the total, so if we can make an adjustment, a marginal adjustment that improves marginally the incentives for conservation in the transmission tariff structure, that’s a good thing, by and large.

I think you raise an interesting point. There is, it seems to me, in the broader public and policy debate about conservation this idea that it is a completely positive thing when we conserve. I have a slightly different perspective on that. When you have a paper mill that is curtailing production because of electricity prices, the assets and capital stock of that operation are completely non-productive in terms of contributing to the gross domestic product and the wealth of Ontario. Yes, in moral terms it’s the right thing to do, in financial terms it’s the right thing to do, but in the big picture, if you’re trying to promote Ontario as an economic entity, I’m not sure it’s the right thing to do. I think what we’d want to do is keep those assets operating, keep those assets productive and keep those people employed.

There’s been a lot of debate—very complicated, very technical, very theoretical, very mystifying—and not very many people in Ontario care very much about it, about how we structure and regulate the electricity sector. I think we’ve lost sight of the prize in Ontario, and I think we have to get back to basics. What’s it for? What do we do with it? What’s the value-added we can create with power? If we can get it at a price that’s affordable, that’s stable and predictable, if we can get the right level of reliability, we can build an industrial economy on that. But if we get the structure and regulation of the electricity sector wrong, we could lose that economy.

That capital stock that Bowater is idling is dead-weight loss for Ontario. Forget about the financial decision that Bowater itself makes. For Ontario, if you look at our industrial economy, that’s a dead-weight loss. I think we’ve got to figure out how to get those assets that have all sorts of economic viability and life left in them back to work.

The Chair: Thank you, Mr. White. We’ll have to leave it at that point. That concludes our time together. Mr. White, good seeing you again. Thanks for your presentation and response to members’ questions.

Mr. White: Thank you very much.

ENVIRONMENTAL COMMISSIONER OF ONTARIO

The Chair: We will now turn to our third deputation. This is the Environmental Commissioner, Gord Miller. Look at that. Already in place like a veteran before these committees.

Mr. Gord Miller: Yes, I’ve got some experience there.

The Chair: Exactly. Welcome back to the standing committee on government agencies; today, Hydro One.

Mr. Miller: Thank you very much again for having me and allowing me to contribute to this discussion. It’s a new opportunity for the Environmental Commissioner’s office and for the commissioner, and it’s greatly appreciated. I hope the following comments have some value for you. Certainly, it’ll be somewhat different from, I imagine, a lot of the deputations that you’ve heard today, because I of course have the environmental focus.

In preparing for this, I really thought long and hard about what I should bring forward today, and it comes down to just three major points. The first two are fairly specific, and the third one really incorporates aspects of the first two points and takes us into a broader scheme of things. Then, I have, at the end, just a few suggestions in terms of what this means or what it might mean in terms of your deliberations on Hydro One. So that’s the overview.

The first issue I want to talk about is climate change. Allow me for a minute just to explain. This is a message that is much broader, of course, in Hydro One, and that is that we’re talking about adaptation to climate change. There’s been a lot of debate in the last few years about climate change, whether it exists, and whether Kyoto is the right solution to mitigate it and everything. Notwithstanding whether we can attempt to mitigate climate change or do anything to reduce our greenhouse gas emissions, the reality is that climate change is occurring on this globe, in this country and in this province. It is affecting things from day to day and I’m very seriously worried that in the big scheme of things, because we’ve been fighting so much about whether or not we should mitigate and the cost of mitigation, we’ve neglected to look at the impact that is occurring now and will continue to impact on climate change.

With respect to Hydro One, I want to point to some of the factors that are coming forward and that are happening right now: things like infrastructure damage. These are the outages, the loss-of-service outages caused by severe storms in just the last year in Ontario. As you can see, the numbers are quite staggering: hundreds of thousands of people, and businesses and industrial operations, losing their power for prolonged periods. These are all severe storms.

We didn’t have these kinds of outages. Most of us in this room have been around the province long enough to know that this is not a historical pattern that occurs every year. We count on Hydro One for reliability over all our lifespan, tens of decades, and yet we’re seeing these kinds of outages just with regular windstorms and storms that are occurring. This does not include any special ice storms like we had a few years ago or the kind of weather incidents that we can reasonably expect to occur under the current climate change expectations. Neither does it include the prospects of fire damage to northern Ontario’s transmission lines. We have been very lucky in terms of fire events. The climate is warming. We’ve been getting good fire suppression activity by the MNR, but

sooner or later it's going to catch up to us and we have a tremendous risk to infrastructure.

Also, climate change creates a certain risk with respect to our hydro resources. We rely on our hydro resources in northern Ontario extensively right now. They've saved our collective butts on more than one occasion here in recent years, but what if we get a severe drought? Not only will you get the fire; you'll get the loss of hydro-electricity capacity. These are things that we should be planning for, building in and anticipating.

Finally, something else that is occurring is the change in the nature and location of the demand. Buying air conditioners in my town of North Bay is big business these days. People didn't used to have central air conditioning in northern Ontario. Why is that? Well, for some of us, it's because we're a little bit pressed, a little bit more affluent, but the fact is, people are responding in a much greater sense to the demand and that's changing the electrical load demands and will continue to do so.

Similarly, winter patterns will change, maybe in that case for the better. My point is that, somewhere in the scheme of Hydro One, adaptation to climate change has to be on the table, has to be discussed, and I just don't see it.

I want to go to the second point. This is a little more specific. I want to talk about access to the hydro grid for renewable generators. There are a number of issues, and I've had certainly a number of complaints in my office relating to this whole topic.

Just a couple of background points: One is, remember that renewable sources are location-constrained, and that is that things like wind power can only be done in certain areas. Water is where there's hydroelectricity capacity available. Biogas is available where there's livestock or whatever, and landfills are landfills. So it's location-constrained. We can't just put it anywhere.

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We have, in Ontario, lots of good opportunities for renewable energy, but there is no transmission access because our system wasn't built to serve that kind of thing. That's the sort of reality that we're facing. Repeatedly we're getting into this situation in Ontario where people want to come forward with renewable energy opportunities, but how we get this capacity connected to the grid is the question. Is it a generator charge? Do we charge the people who want to get on the grid? Or do we apply some kind of system charge and say we're improving the system, so we'll do it in a collective sense? Right now we take the whole cost and we put it on a generator, so if you're a small renewable generator and you're in a cost-competitive environment, you're trying to get something started up, the first thing you face is this tremendous cost of attaching to the grid. Once you've attached to the grid, say you pay for five or six or seven kilometres of line, what if your competitor wants to come on next door once you've surrendered those lines to Hydro One? So there are questions about who should be paying for accessing these renewable

opportunities. Certainly it's a strong disincentive to dump it all back on the generator.

I would put forward that, like a transportation system, like a road system, we need our hydroelectric grid system to maximize the opportunities to renewable fuels, for renewable energy generators, for the long-term good of the public. There's an element of public good, I think, that is very critical that is presently absent from the system.

That brings me to a more general and philosophical discussion that actually brings in the first two points to some degree. It's interesting—it's 2006—because exactly 30 years ago there was a very profound paper published by Amory Lovins, very influential in the policy world, about energy grids and energy supplies. He talked about two kinds of energy systems, ones that rely on centralized, large-scale, capital-intensive technologies, and he called these hard-path systems; and other systems you can design that pursue conservation, small-scale distributed generation, renewable energy applications, and he called those soft-path situations. What we have in Ontario is a hard-path system. It's inflexible and it's prone to disruption, as per my previous slides and as per discussions we just heard about the sensitivity to the slightest disruption because we have central generation and a rigid system.

Obviously we're not going to change that overnight, but I think going forward, the 21st century demands a different kind of grid than we have now: one that is softer and smarter, one that lowers resistance, one that slows energy, one that shaves peaks—technologies that are available or are proposed that can make these things happen. But the challenge as I see it with Hydro One is that there really is no mechanism of change. There's no advocate or no voice for soft-path ideas. We're not talking about these things. We're not building forward and looking at those opportunities. The Hydro One structure, the Hydro One policy decision-making, is very much committed to the hard-path, traditional 20th century system. I think that is something this committee should be attentive to and consider. There should be a voice so we can accommodate the changes in technology.

Mr. Chairman, I'll sum up my suggestions to be three: (1) Hydro One needs a strategy for adapting to climate change to increase the reliability of the system and proactively anticipate and head off future problems; (2) upgrades to the transmission systems that facilitate renewable access should be incented by system charges, not penalized by generator hook-up charges; and (3) we need a mechanism to help Hydro One make the grid softer and smarter going forward into the 21st century. Thank you.

The Chair: Thank you, Mr. Commissioner. I appreciate your leaving some extra time for committee members to ask their questions and get answers. We're going to start with the official opposition and we have just over six minutes each.

Mr. Yakabuski: I did make some notes while you were doing your presentation. Can you give us some

examples—we have a little time here—other than generalizations, of what you would consider we would be doing to make this a softer-path system?

Mr. Miller: One of the things that is widely talked about—take somebody like Geoffrey Ballard. You know Ballard Power Systems, which are fuel cell systems. He envisages and advocates a system where you have distributed generation run by fuel cells throughout the whole system. In fact, as we move cars or vehicles into fuel cells, you plug them in and you could be generating power throughout the grid that feeds into the grid. Through a wide range of fuel cell applications, you can be taking power down during low-demand periods of time, generating hydrogen by electrolysis and feeding that hydrogen back into a fuel cell at high-demand times. Even though there's a three-to-one loss of efficiency—in other words, for every unit of electricity you only get one third back—often the cost of electricity is more than 10 times higher at peak load, so you can feed back in. You do that out there and distribute it. So it softens the system because, instead of having a few big nuke plants and coal-fired generators etc.—of course you have those; they exist. But in addition, you have these localized fuel cells throughout: in apartment buildings, in various things, distributed widely through the system which can feed back in, soften the system and make it resilient.

Mr. Yakabuski: Transmission from generators: As I understand it, right now, if you're initiating a power supply project, whatever your location choice may be, you'll have to pay for all of the transmission costs to get that into the grid that currently exists.

Mr. Miller: Essentially, yes. And you have to do it to Hydro One's standards, which may not be, in the view certainly expressed to me by some of these people in the situation, the cheapest way to do it effectively and safely. It has to be done to those standards at those costs. So it's quite a problem.

It also creates a lot of uncertainty. When you're planning for a renewable generation facility, say a wind situation or a small hydro situation, if you don't have a really good handle on how much it's going to cost you to hook up to the grid and what the terms are in advance, you'll struggle with that in your business plan.

Mr. Yakabuski: For the most part, if people are concerned about dollars at all, which they are, it would limit any new developments within some kind of proximity to our 500, 230 or 115 kV lines.

Mr. Miller: Yes. Classically here we're talking—well, I think it's all three—wind farms, which are not anywhere near the major transmission facilities and best locations for wind. The big hydroelectric developments: Obviously, OPG and others go after those big ones in northern Ontario, but there are a lot of smaller ones that private interests may pursue. But again, the line costs may be the determining factor to make it non-viable for them.

Mr. Yakabuski: You talked about climate change and you've probably done some research, then, as to some numbers. I'm not going to ask you them, but perhaps if

you do have some numbers with regard to temperature changes over the last 50 years or something, we could have that from your office.

One last question: The OPA has submitted an integrated power system plan through to 2025. It doesn't sound much like something that you would be overly positive about, based on your submission today. Give me a quantitative evaluation of that on a scale of one to 10, and as to whether in your opinion those numbers they're putting out are achievable or not.

Mr. Miller: You're right, you do ask hard political questions today. First of all, in terms of the OPA plan, I think it's achievable. There are cost factors, and whether it's the right direction; I heard lots of discussion around that. I don't think there's anything that's unachievable in it. But in light of what I presented today, I think there's a lot of room for improvement in softening up the grid, distributing generation and providing for even a higher proportion of renewable energy. I think there's a tremendous potential in the Ontario economy to increase efficiency, increase conservation, but also increase renewable generation if you open it up and let them use the ingenuity of the distributive Ontario economy to do that. Give the people the access and the opportunity, and I think there's a huge amount of energy available for us to save or to generate that the present system is just too rigid to allow easily.

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The Chair: Thank you very much, Mr. Yakabuski. To the third party, Mr. Hampton.

Mr. Hampton: I want to be clear on what you're saying here. We've seen a few wind farms that are now up and, as I understand it, producing or about to produce electricity and we'll see, depending upon the frequency and consistency of the wind, what generation occurs. Are you saying that some of that wind capacity is going to be stranded because the generation is not there to handle it?

Mr. Miller: You mean the transmission is not there to handle it?

Mr. Hampton: The transmission is not there to handle it.

Mr. Miller: Yes. Presently my analysis suggests that wind capacity in Ontario is much, much larger than we've taken advantage of right now. There is a lot of remote-from-transmission-lines capacity. There are other issues, by the way, in terms of wind capacity, I recognize. But nonetheless, just talking in those terms, along Georgian Bay, for instance, there's a tremendous amount of wind capacity a long way from transmission lines.

There are two issues: access to a transmission line in terms of distance, and continued access on that transmission line in terms of the capacity to carry electricity, but they're two sides to the same coin.

Yes, there is presently wind-stranded hydro. In the future, going forward, we could stimulate, I think, a bigger biogas industry in rural Ontario and help a lot of our farmers if we made a mechanism that was friendly to them to get that power to market. Right now, much of the

farmland hasn't got the transmission capacity to pick that up even if they could produce the biogas energy.

Mr. Hampton: Just so I'm clear, what you're saying is that we have potential that is stranded.

Mr. Miller: Yes. Well, we have resources and opportunities that remain undeveloped and will remain undeveloped unless we decide it's in the public good to access them for reasons of public policy and provide those opportunities.

Mr. Hampton: But you're not saying that there's installed capacity.

Mr. Miller: No, not at all. In fact, if you look at the installed capacity, the successful installed capacity is driven by access, if you like. Much of the influences—yes, they have to have the wind, for instance, true, but look where it is. It's by the big power lines, where they can get access.

Mr. Hampton: Have you seen any analyses of what it would cost—I realize you've focused here on who should pay to a certain extent—in terms of additional transmission lines and transmission networks—I think part of what you're talking about here is transmission networks—to access some of that unused capacity?

Mr. Miller: I don't think anybody has done those figures in an aggressive, proactive way. I've seen the wind energy association figures; I don't have their correct name. They've tackled this problem and they have a fairly productive suggestion. What they suggest is to let Hydro One pay the first \$60,000 of cost of hooking up, but make the generator pay five grand just to apply. In other words, put a deterrent on just so we don't get people putting in applications frivolously. But essentially the first whack of money, whatever that figure should be—tens of thousands of dollars—would be paid. So if you were close and you were fairly easy to get on, you'd get on cheaply; if you were much farther away and the costs were much higher, you could factor that in and say, "Well, I've only got to pay beyond the \$60,000 figure." Those people who are in that business have come up with those numbers—\$60,000 and \$5,000—as the kind of incentive they feel they need to stimulate their industry at this point. I think down the road, as we get demand for more energy and we want to go further and further afield, then we'd have to seriously look at essentially a public capital investment. That would be decades down the road, I suspect.

The Chair: Thank you, Mr. Hampton. That does conclude our time for the third party. Now to the government members, Ms. Smith.

Ms. Smith: Thank you, Mr. Miller. It's lovely to see you again this week. We don't see you enough in North Bay.

I wanted to talk about North Bay for a second and the storm, and our response to the storm. I was glad you raised it because I actually wanted to take the opportunity to thank Hydro One for all the great work they did in our communities over the storm. We certainly had a struggle and we had a lot of help from across the province. Certainly the communities around North Bay-Mattawa

and to the west of us, over to the Manitoulines, were very happy to see them.

I'm going to jump around a bit, but at one point you talked about the soft-path and hard-path approach, and you're advocating the soft-path approach. However, in my estimation, if we had had more of a soft-path approach, I'm not sure that would necessarily have changed the effect of those wind storms, because it was power lines that were coming down. Even just in our small geographic area, from one end of my riding to the other, which is West Nipissing to Mattawa, there were hundreds, thousands, of poles and lines down. If we had been on a smaller grid, for instance, as you would recommend, the lines were down anyway. I'm not sure that would have been a solution to that kind of problem.

Mr. Miller: No. When I was talking about the storm damage, the infrastructure damage, I was focusing on the climate change policy aspect. There is a margin, and if you get into a wide-scale storm with thousands of trees down, there's no question your infrastructure's down.

Ms. Smith: Right.

Mr. Miller: But if you recall, since we both live in North Bay, during the big power outage some years ago, North Bay was up and running in four hours because we do cogeneration up on the hill. So distributed generation does help to some extent, even in more major events, but not if you lose all your lines.

Ms. Smith: Maybe you're up in four hours at your end of town, but not at our end of town.

You talked about the soft approach and Hydro One's approach. We heard this morning that they are investing over \$40 million in conservation programs and really that the thrust is that sustainable conservation requires behavioural change, and that they're working towards that with this investment. Do you have any comments about the progress they've made with the \$8 million that they've already invested and their plans moving forward?

Mr. Miller: We've looked at the local distribution company aspect and the plans to incent or encourage conservation: "very positive" is your first reaction.

One small flaw I would point out to you—and I think they are well-intentioned, positive, good plans—is that it seemed to be a little short on mechanisms, a metric to measure success. We didn't see that. It may not exist in the literature we can get our hands on, but we'd sure like to know a year from now or two years from now, since all these costs are put back on to the ratepayers, that we have a way of measuring the effectiveness of these programs. That would be one caution.

Ms. Smith: With the \$8 million they've invested, they've told us that they have saved enough power to power 700 homes for one year, I believe, and their plan is to get to 100,000. That's what we heard this morning.

My colleague would like to speak to you about renewables. Before I let you go, though, I totally agree with more transmission needs to get our renewable energies from northeastern Ontario up and running and providing for the rest of the province, which we could.

Mrs. Mitchell: Thank you, Mr. Miller. I'm looking for a further expansion of what you're talking about, a soft system. As you know, I represent the riding of Huron-Bruce, and we will be bringing on about 40% to 50% of the renewables that are coming online with the province. So I look at how the standard offer contract has been received, and I asked Hydro today—and 400 contracts. The uptake is huge.

Mr. Miller: Yes.

Mrs. Mitchell: But we keep going back to the transmission: What can we do, and what is needed? So I did want you to expand on what your soft system is, but I am also looking for a further expansion—when you talk about the system and some of the renewables, it has to be brought up to a certain standard, coming onto the grid. I guess I'm a bit taken aback that there seems to be not as much support as I believe there should be when we talk about the integrity of the system and the standards. If we just apply whatever standards, I really would have some real concerns about the integrity of our system being maintained. And overall, when we talk about integrity of the system as well as our transmission, that's what will move forward renewables the fastest.

I just look for expansion on the soft, and your comments about the standards.

Mr. Miller: On the soft—and I recognize we do have this existing developed system and it's not going to change—it's a matter of softening the system or bringing these features on. Up in the Bruce is a classic case. We're going to get a lot of wind generation developed over the years, I expect, anyway, and you're going to be a point source generator all through there. There's a local significance to that. It improves reliability and the effectiveness of the distribution system. Up the Bruce, which would have been a one-way wire at one point in time and have the problems that were discussed about Marathon previously, now it's going to be much better, much more reliable. It will be feeding the economic development for that area.

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But it also means there are more points on the grid generating power at least some of the time. Say you were to couple that with fuel cells, and when they took power that was in excess and generated hydrogen by electrolysis and then fed the hydrogen into fuel cells, you could stabilize that system and you'd have a distributed power system that was much softer with much more resilience. If you lost your main feed from the south—wind can't do it for you all the time, but wind backed up with something like a storage capacity like that would substantially improve the resilience and dependability of the system.

Mrs. Mitchell: So when you're talking—

The Chair: I'm sorry, Mrs. Mitchell. I know it's a good topic, but that has concluded our time together.

Mr. Commissioner, sir, thank you very much. It's always a pleasure to see you before the standing committee. Thank you for your input both today and on Tuesday.

Mr. Miller: Thank you.

SOCIETY OF ENERGY PROFESSIONALS

The Chair: Folks, we'll now move to the Society of Energy Professionals. We have a significant list, and I'm not sure if all are going to come forward.

A couple of things to say as we begin this segment. First, just to remind those who speak to the committee, if we do have multiple speakers, please introduce yourselves and your title for the sake of Hansard so we can always attach the comments to the right individuals.

Secondly, just a word of caution for both members and those before the committee. I think to say that the relationship between Hydro One and the energy professionals has had some tension recently is an understatement, but I'm pleased that the professionals are here today to make a presentation as one of the key stakeholders when it comes to Hydro One.

Members of the committee may know that there is currently a hearing, I believe, before the Ontario Labour Relations Board with respect to unfair labour practices, and some volumes have been given out to members from the professionals with respect to that hearing. Members know—and the Chair will call to order—that they are not to prejudice those hearings in any way with their comments. I think it's important to hear and I don't want to intervene at all with what the society has to say with respect to Hydro One, but members should know that there is a case before the OLRB with respect to unfair labour practices and we don't want to prejudice that in any way by members. They will be called to order, because that is out of order under the rules of the House.

To the deputation before us, just for your own protection as well, you'll want to ensure that any statements you make will not prejudice your case before the OLRB. I think you do know that. While we know that members who are before the committee or in the assembly are protected by parliamentary privilege—there's the freedom to basically say and do as we please—it's not clear that that extends to witnesses before committees. So I wanted to let you know that it may very well be that testimony that you have given or are about to give could be used against you in a legal proceeding. I caution you to take this into consideration when making your comments. It's no surprise to you, I'm sure, but just for your own protection, that privilege does not necessarily extend to people who make presentations before a committee.

The last thing: There's some strong language at the conclusion of your presentation. Again, I'm not going to try to intervene with what you bring before the committee, but just to ensure that the decorum that we've maintained at committee today is respected—that's by all members of the committee—when we get to the stronger language at the end of the presentation.

Sorry for that intervention at the beginning, but I thought it important that we understand how to proceed in case the committee gets into any dangerous territory with respect to prejudicing any future hearings.

Folks, I'm pleased again to welcome the Society of Energy Professionals. You're welcome to make opening comments of up to 15 minutes. Any time that you leave remaining, up to half an hour, will be distributed equally among the three caucuses, beginning with Mr. Hampton on this rotation.

The last thing I'll say, and I do apologize: I need to vacate the chair at this point to get to an important constituency event, and the very lovely and talented Mr. Tascona is going to assume the duties of Chair for the remainder of the afternoon.

Mr. Parsons: I never heard those words in one sentence.

The Chair: I'm sure it's not the first time.

Folks, we will now begin the next session. Gentlemen, you have up to 15 minutes for your presentation.

Mr. Andrew Müller: Thank you, Mr. Chair. I appreciate the words of caution. I would like to say that it's with a great deal of hesitation that we come to this committee because of the very things that Mr. Hudak mentioned and also because of the nature of the things we're going to be describing in the presentation. Some of these things are shocking, they're very serious, but we feel compelled to tell them to this committee and make sure that they're on the record for the people of Ontario.

My name is Andrew Müller. I am the president of the Society of Energy Professionals. I have with me here this afternoon Trevor Ogle, who is a sector control supervisor with Hydro One. He has 31 years of experience working for both Ontario Hydro and Hydro One. He has worked throughout his career up through the operator ranks to the position he holds today, which is at the much-celebrated Ontario Grid Control Centre. I also have with me here today Dr. Hamid Riaz. He's a senior engineer with the operating assessment and technical support group at Hydro One. He has a Ph.D. in electrical engineering and has worked for Ontario Hydro and Hydro One since 1988. Prior to that, he was a professor of electrical engineering at the University of Ottawa.

These two gentlemen are fine examples of our membership in the Society of Energy Professionals. A great deal of our members have professional degrees. Many of our members have greater than 25 years of service with various companies in the electricity industry. They bring that expertise and professionalism to their everyday work.

As we appear before you today, we're at a time of crisis in the electricity industry. Our system is operating at capacity. The demands for power are significantly increasing. The demands for new connections of both customers and suppliers are also on the rise. This puts a great strain on Hydro One as a company.

Hydro One is a publicly owned agency and is responsible for delivering electricity reliably and responsibly. It's rather interesting to note that as we tried to review the mandate of Hydro One before testifying at this committee, we discovered that the mandate is essentially secret. We were led to believe that it was described in a shareholder agreement, which we requested, and it was

not provided to us. We heard this morning that it may also be described in a memorandum of understanding, which also did not appear in any research. So for a public utility not to have their mandate in a public forum is a bit of a question to begin with.

To fulfill this mandate, Hydro One needs strong leadership. It's on that that we have a number of recommendations with respect to the operation of Hydro One.

I was pleased to hear this morning that one of our recommendations may have been implemented before we even got to make it, and that is that there be a third party financial audit conducted of Hydro One. Some of the things I'll say later in the presentation will explain why we think that's necessary.

We're also recommending that the government appoint a committee to review the past management practices of Hydro One and to monitor the current management practices, including the use of contractors, to ensure that waste and poor management do not continue. I will further describe some of the concerns we have regarding management decisions later in the presentation.

We also recommend that a committee be appointed to make recommendations to Hydro One on managing the human resource shortage in the energy sector, particularly in their company, including recommendations on issues such as succession planning, recruiting, mentoring, training a skilled professional workforce and maintaining the skilled workers in whom the organization has made an investment. You talked a lot about that this morning. We'll be discussing more of that this afternoon. I think you'll hear a very different story from our perspective.

We also recommend that Hydro One be strongly encouraged and provided with the assistance necessary to restore healthy labour relations and to improve employee morale at the organization so that management and employees can return their focus to the business of planning and carrying out the safe and efficient delivery of electricity to the public.

We believe that these fundamental steps will put Hydro One back on track and focus the agency on delivering energy efficiently and cost-effectively to Ontarians. As professionals who supervise and administer the electricity system in Ontario, we want to make sure that both taxpayers and users get the best possible system for their investment.

The Society of Energy Professionals represents engineers, scientists, accountants and IT professionals who work in Canada's energy sector. As an organization, we've been around for more than 70 years. About half of our members are professional engineers. Many hold master's degrees, doctorate degrees in engineering and other related fields.

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Our union represents 7,000 employees at Hydro One, Ontario Power Generation, Bruce Power, Atomic Energy of Canada, Kinectrics, Toronto Hydro, the IESO, Nuclear Safety Solutions, New Horizon System Solutions, Vertex and the Electrical Safety Authority. Our members work

in every aspect of the electricity industry. It's from that perspective that we give these comments. Our members are highly dedicated to the work they do. As professionals, they've committed to high standards of quality and safety. They have professional ethics and they have a strong sense of public service to the people of Ontario. They bring that to work every day and they feel obligated, despite the cautions that the Chair gave us earlier, to make our concerns known to this committee, because frankly, Hydro One is owned by the people of Ontario and the people of Ontario deserve to know what's going on at Hydro One.

Because of our professional and ethical responsibilities, we've been involved in making recommendations to government committees for some time. We predicted the price instability and spiking prices that resulted from the opening of the electricity market. We also recommended that the government pursue aggressive conservation programs, expansion of renewable generation, nuclear refurbishment, nuclear new build and the need to maintain our coal-fired generation before the current realities became known to electrical consumers. Our advice is not popular, but it is responsible, professional and accurate.

Our system is strained. It's significantly strained. We've talked a lot about that this morning—about transmission lines, interconnections to Manitoba and so on. Our power lines are operating at capacity. We talked this morning about an incident where a power line would have been in greater danger if the wind hadn't been blowing. I think Trevor can speak to the effect that wind has on line capacity.

Mr. Trevor Ogle: Trevor Ogle, sector control supervisor at the Ontario Grid Control Centre. Wind speed and temperature are two of the major factors in the current carrying capacity of all transmission lines. During the summer peak period, the honourable member has mentioned that it had been a windy day and that saved their bacon somewhat and I think there's probably a lot of truth in that, because the capacity of the line increases very significantly with an increased wind speed.

Mr. Müller: This is one example of how technical the system can be and how important it is to rely on the experts who know the system and operate it.

I'd also like to point out, in his own words, that Tom Parkinson advised in a booklet entitled *Trans-Mission Critical*, which we've attached to the presentation, that, "Major transmission projects are required and we need to start now." This is not a simple task. I think we discussed that quite a bit as well this morning, but clearly it relies on the human resources that the company has available to do the work. We are facing a human resource crisis. As Mr. Parkinson pointed out this morning, he chairs the Canadian Electricity Association, which created a report in co-operation with human resources called the human resource sector study in 2004, *Keeping the Future Bright*. That was also attached to our submission. That report makes it very clear that there's a shortage of skilled and professional employees in the electricity sector and

there's a strong need to hire, train and retain those members. The report urged the companies to begin planning now to avoid a crisis in the next five years. We are facing that crisis now in Hydro One, particularly with the members that we represent.

Management at Hydro One has been operating in an Enron-like fashion for many years. Since their creation in 1999, through the Clitheroe years, as we call them, when Eleanor Clitheroe was the CEO and continuing through the years we have now with Tom Parkinson as chief executive officer, there have been a number of scandals, a number of concerns over spending, use of corporate transportation, whether it's limousines or helicopters, and concerns over compensation.

We included the chart that you were discussing this morning, the picture of executives of Hydro One and their salaries. That data comes from the public sector salary disclosure lists that are made public to the people of Ontario. They are simple facts. That is the compensation that those people received over those years. It's pretty clear from that presentation that salaries have gone up dramatically in the management section of the company. That is despite the act in the Legislature in 2002, which was discussed earlier this morning, that was meant to keep a lid on those salaries. That's just one example, we believe, of the out-of-control nature of Hydro One.

Some of the other concerns we have: management is recklessly allowing the organization to become understaffed. At a time when we need people to make those connections and keep those power lines running, they are no longer hiring members into our category, they're no longer hiring professional engineers and scientists and so on, and I'll discuss that in a few more minutes.

The organization is also attempting to compensate for that understaffing by an excessive use of contractors to do the projects instead of the employees at Hydro One. However, they know from experience that these contractors tend to increase the project costs dramatically and they deliver less than in-house services.

Hydro One is engaged in creative record-keeping to disguise the fact that major projects are over budget and behind schedule. For example, the Hydro One board of directors originally approved the Parkway transmission project on the basis of a budget estimate of \$78 million. The final amount approved for the project by the board was \$156 million. In fact, the actual cost for the project was well over that figure. However, rather than acknowledging that they had gone vastly over budget, the company claimed credit for completing the project under budget. They were able to do this simply by allocating Parkway expenses to other, completely unrelated, projects.

Also, under pressure to rush projects to completion, management has exposed the people of Ontario to unacceptable levels of safety and environmental risk. I'd ask Hamid to describe a situation we had with the Parkway transmission project.

Mr. Hamid Riaz: Hamid Riaz, professional engineer. I'm a senior engineer at the Ontario Grid Control Centre.

About the Parkway project, it was claimed that it was a major achievement. It indeed is a major achievement in terms of relieving the load requirements of the system. The concern that Andy has just raised is that as part of the construction of Parkway, we have exposed or we have taken a risk which might cause an Enbridge gas pipeline to catch fire. This 30-inch-diameter pipeline, which would normally be, according to Canadian standards, at least 10 metres away from any fault-anticipating structure, is one metre away. As a result of that, there was some—and this situation was known way before the construction. Construction went ahead, and to avoid the situation, there were some temporary measures in place. Those measures have been revoked as of July. It is perfectly clear to me that management is totally entitled to take that decision and that some interim mitigating measures have been taken, but the essential requirement is that that pipeline has to be moved, and that has not taken place. I will stop there.

The Acting Chair (Mr. Joseph N. Tascona): Your time for a presentation is completed, so if I could turn it over to Mr. Hampton. The parties have five minutes each to question.

Mr. Hampton: I'd be perfectly willing to waive my time to let the society continue with their presentation.

The Acting Chair: Fine, okay. Mr. Hampton had five minutes, so proceed.

Mr. Müller: Thank you. I'll try to be brief.

We mentioned the safety record of Hydro One. You discussed that this morning and also talked about experienced employees being underutilized, and I'll ask Trevor to speak to that in a minute.

Contrary to the testimony you heard this morning, Hydro One is refusing to offer permanent professional positions to new graduates. Since our members returned to work last year, no new engineers have been hired at Hydro One into our categories.

Management is responsible for the demoralization of the staff who work at Hydro One. While Hydro One is in desperate need of new employees and to retain employees, we are losing valuable people with hard-to-find skills and experience—losing them outside of Ontario and losing them outside of Canada. This is one of the current government's chief concerns: retaining skilled and experienced people.

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Management has also persisted with the stubborn and illegal refusal to work co-operatively with the union. That's covered in the unfair labour practices that were discussed. They're wasting many thousands of working hours and millions of dollars over unnecessary litigation caused by that illegal conduct.

Each of these examples and many more demonstrate why we need government intervention to change the corporate culture at Hydro One. Ontarians are being put unnecessarily at risk, public money is being wasted, staff is mistreated, resulting in extremely low employee

morale. A hiring freeze has put strain on existing staff, and no plans have been put in place to deal with the impending labour shortage which threatens the viability of the company to deliver on its mandate.

Our relations with Hydro One have been referred to earlier. As many of you know, we were on strike last year for 105 days—a strike that was not necessary, one that was forced upon us by the employer. It's rather curious when you compare that to the relationship we have with other major employers here in Ontario: Ontario Power Generation, Bruce Power, ACL etc. We have negotiated long-term contracts, amicable resolutions to all outstanding issues in two-party deals without resorting to any kind of work stoppage or arbitration. One has to wonder why, with Hydro One, the relationship needs to be different.

The strike in 2005 had a significant impact on our members. We expected that impact to finish when they returned to work. Shortly after returning to work, 800 of our members were called to a meeting at the Toronto Hilton hotel on December 1, 2005, and received a speech from company CEO Tom Parkinson, where he as much as threatened these employees with retribution, explained to them that many of their careers had been ruined by their job action and that the company would not forget that. The transcript of that speech is also attached to our submission. I also have a recording of that speech from which the transcript was made that I'm prepared to share with the committee.

When we began the strike, we were 1,032 society members at Hydro One. By May of this year, our positions have been reduced to 781, with 143 members moved by Hydro One into non-union positions. Seventy-one members have resigned or were terminated, and 35 members have retired. That is all, to a great extent, directly due to the acts of retribution by Tom Parkinson.

Trevor, I'd ask you to describe what your working life is like now, after returning to the company.

Mr. Ogle: Following last year's labour dispute, and following the strike, we returned to work, and 16 of us who were sector control supervisors at the Ontario grid control centre were herded into one room and told that we would no longer be permitted to perform the function that we had prior to the strike. Instead, we would be given other tasks, assignments, some of which are pretty menial, some of which are very clerical by nature. We feel we are not being utilized with the skill set that we have.

I think it was very clear this morning. Mr. Parkinson made it very clear that there is a shortage of skilled people, not only at Hydro One, but in the electrical sector in general. We have the skilled people, and they're not being utilized.

During some of the storms that occurred this past summer, when there were greater than 100,000 people out of power, some of the people who would normally lead that restoration effort—those being the sector control supervisors at the grid control centre—were in the building, were one room away from the control room

and were not asked to assist. Do I believe that delayed the restoration? Absolutely.

The Acting Chair: Mr. Hampton's time is up. It's now the government's time, so they can choose to do what they wish with their five minutes. Thank you.

Mr. Milloy: I realize you've obviously been cut off in your presentation, but I think members of the committee and members of the audience here have had a chance to see the entire transcript of the presentation that you've put forward and had a chance to quickly look through it.

Obviously, you've raised a large number of issues here today. The advice that I give in the first instance to any constituent—and I'm sure every other member of the committee does the same—is, are there official channels that you can bring these concerns forward to? Obviously you have, in bringing some of these issues to the Ontario Labour Relations Board. Certainly I think the Chair was very wise in raising that that's a process this committee doesn't want to become involved with.

I'm going to focus on one aspect of your presentation which you didn't get to, and that's the final page, page 13, where you make a number of allegations concerning Mr. Parkinson and three different events, the first of which was discussed this morning when words were used about First Nations people—“[expletive] Indians” was the quote. Second, he was addressing a health and safety conference, and then the third was about some actions that happened on a picket line. I guess the first thing, just to clarify: These allegations that are brought forward are not part of what's gone to the labour relations board? I haven't had a chance to look through the material, so I just want to confirm that.

Mr. Müller: No, they're not part of that submission.

Mr. Milloy: They're not. I guess my concern as a member of the committee is that these are obviously extremely serious allegations. As I said, the first one was referred to indirectly this morning—not the actual detail that came here or the fact that Mr. Parkinson was personally involved, but he was asked about the use of that language by senior management and said that he was unaware of it, so I'm assuming by inference was saying that he himself had not said it. I say “by inference”; obviously Mr. Parkinson will have other opportunities to refer to it.

I ask you, because of the serious nature of all of these—what you presented here today, to be quite frank, is a bit vague. Do you have some details about these meetings, when they happened? Are there transcripts, are there minutes, are there witnesses? This is extremely serious, as I think every member would agree, so I'm just asking for more detail and if you could provide that.

Mr. Müller: Yes. Stories abound in Hydro One about the antics of the CEO. We've worked quite diligently to ensure that the stories we brought were not simply stories but were in fact first-hand, witness accounts of his behaviour. As you can recognize and as I was cautioned by the Chair, we're very reticent to bring forward and name names of these individuals because it's unclear how well we can protect them against further retribution.

I can assure you that we have discussed each of these incidents with a person who personally witnessed it. We're encouraging this committee to make recommendations that would result in an investigation of these acts so that people are protected and can put their names to these incidents.

Mr. Milloy: But I think at the same time, you have to understand the position of the committee. Mr. Parkinson, as I said in regard to the first allegation that was brought forward, seems to have indirectly said that that case didn't happen, and so in a sense you've come here and accused him in front of a legislative committee and are not furnishing any evidence. That leaves the committee at a bit of a loss on how to do that. You haven't even produced information about the dates when it took place, who was at the meeting or, as I say, minutes or transcripts. But I guess your answer is that you're not in a position to furnish any evidence to support those? You're saying stories abound. With great respect, I would think that “stories abound” is not exactly the strongest way to bring it forward to a legislative committee.

The Acting Chair: The time has expired, so I have to move on to Mr. Yakabuski.

Mr. Yakabuski: Thank you for joining us and making your presentation today. There are a number of issues that you brought before us which you have brought to our attention, and in fairness they're not ones that we can necessarily comment on, because these are your submissions. But I certainly am willing to be interested in listening to—I'm presuming that Hydro One, after we have had all our submissions, is going to want to respond to some of the things that you have said.

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One of the things we would all agree on, and that Hydro One agrees on, is the concern about succession planning with regard to our utilities and ensuring that qualified people are being brought up and into the ranks in a manner and a fashion that ensures that we will have long-term stability, be it in OPG, Hydro One, AECL, Bruce Power, any of our entities. I think we all agree that it is a concern, and that's something that we would want to know more about from Hydro One's perspective as well because that's definitely something we all have to be aware of and concerned about to ensure that these utilities continue to operate. We know that we have an aging workforce in all of our installations, and that's something that we all have to do our part to address. But on the specifics, I will want to see what some of their responses are in these; for example, the non-hiring of any new engineers and stuff like that. In fairness, at the same time, we had a presentation today from Adam White of AMPCO, who stated that their members would give Hydro One a very positive rating with regard to its performance vis-à-vis its performance of the past, so we have to be circumspect about those submissions as well.

Perhaps you can enlighten us, if that's the position of a major power user in the province of Ontario, how they are perhaps getting a different view than yourselves.

Mr. Müller: The major power consumers represent one slice of the customers to Hydro One. We saw figures from another presentation talking about outages affecting hundreds of thousands of people here in Ontario, so I think, as was mentioned, different groups have different perceptions of what's important to them, whether they are businesses or the people of Ontario. We see ourselves as guardians of the public trust in Hydro One. We're concerned about what members of the public think about the operation of Hydro One delivering cheap, reliable electricity. I think that's a different perspective than perhaps a business would take on the matter.

Mr. Yakabuski: I appreciate your view on that. Thank you.

The Acting Chair: Our time has expired. I want to thank you for your presentation.

Mr. Müller: Mr. Chair, I just have a question. I have some evidence I could provide to the committee. I don't know the rules of order of your committee and how to make that possible. I have names of people who were at the meeting that was mentioned earlier by Mr. Milloy.

The Acting Chair: If you could send it to our clerk, Tonia Grannum, directly. Thanks very much.

Mr. Müller: Thank you.

ELECTRICITY DISTRIBUTORS ASSOCIATION

The Acting Chair: The next presenter is the Electricity Distributors Association, if they could come forward. Good afternoon. If you could just identify yourselves and then proceed. You have 15 minutes to present to the committee.

Mr. David Collie: Thank you very much, Mr. Chairman. I'm taking my coat off because it does tend to get warm in here, particularly with the lights on. As a conservation measure, one of the things we do in our office is encourage people to take their coats off. It helps with air conditioning. So just a word of conservation there.

My name is David Collie. I'm vice-chair of the Electricity Distributors Association of Ontario. I'm also the president and chief executive officer of Burlington Hydro. I have with me Guru Kalyanraman, who is an EDA staff representative assisting us today.

It's a pleasure to have been invited here today and given the opportunity to address the standing committee on the services and mandate of Hydro One. Hydro One, Hydro One Networks, Hydro One Remote Communities and Hydro One Brampton are long-standing members of the Electricity Distributors Association. To begin, I'd like to take a few minutes to speak to you in general terms about Ontario's electricity distribution industry and the role of the Electricity Distributors Association.

The association has a long and distinguished history dating back to the foundation of the electricity system in Ontario early in the 20th century. The EDA is the voice of Ontario's electricity distributors, the publicly and privately owned companies that safely and reliably

deliver electricity to over four million Ontario homes, businesses and public institutions.

The EDA represents and advocates for its members in today's evolving and often complex legislative and regulatory environments and represents 85 local distribution companies, or LDCs, across the province.

The role of distributors is to take electricity from high-voltage transmission lines and safely provide it to homes and businesses, at an appropriate voltage, throughout their distribution areas.

Distributors, which would come as no surprise, are on the front line of electricity matters, acting as customers' point of contact. They are the consumers' primary billing agent, including those who have signed retail contracts, in most cases. They also provide customer service through regular repair and maintenance, call centres, education campaigns, emergency response and, more recently, with conservation and demand management programming.

The province's electricity distribution industry provides employment for almost 10,000 Ontarians, with a payroll of close to \$1 billion. Distributors also invest close to \$1 billion in Ontario's infrastructure, while providing some \$200 million in the form of proxy taxes to the provincial government.

Hydro One has a unique standing within the association and the electricity industry in Ontario. Not only is it the largest distributor in the province; it is also the only provincially owned distributor. Its distribution network is the largest in the province, with some 123,000 kilometres of wires serving 1.2 million customers, mostly in the rural areas.

As the province's largest distributor, Hydro One has a standing seat on the EDA board of directors, represented by director Geoff Ogram, vice-president of asset management. Hydro One representatives bring a high degree of expertise and experience to the issues of the day, whether related to finance, policy and industry development, operations or regulatory compliance matters, and we welcome their participation in our association.

This afternoon the association will focus its comments to the standing committee on some specific issues and unique challenges confronting Hydro One in today's electricity market. I'd like to address the following six issues:

- (1) System reliability/security of the electricity system and the need to invest.
- (2) Approval of infrastructure.
- (3) Rationalization of Ontario's distribution sector.
- (4) Sufficient cost of capital.
- (5) Overlapping responsibilities of public agencies.
- (6) Long-term load transfers and ministerial directive on Hydro One on the sale or acquisition of assets.

First, system reliability and security of the electricity system and the need for investment: During the 1990s, when Ontario Hydro had responsibility for all of transmission, distribution and generation in one company, the company focused primarily on its generation and its nuclear facilities. As a result, the transmission system did

not receive the attention and resources it required to ensure long-term system reliability.

Hydro One has taken great strides to improve its transmission maintenance practices in the years since and has focused its attention on what's required to maintain the transmission system.

Preventive maintenance, correcting breakdowns and assessing asset conditions constitute over 50% of its current operating costs. These costs are forecast to increase over the next few years. Why? These costs are rising due to aging assets. As the assets come closer to their end of life, maintenance requirements increase significantly. Activities involving monitoring and assessing condition naturally also increase. Equipment failure rates increase as assets age, and eventually these assets obviously must be replaced or fully refurbished. A large number of assets are reaching the end of their 40- or 50-year life in the next few years. As a result, capital investments for sustaining services will increase.

Hydro One will need to make significant capital investments to expand its system capabilities to address the load growth, generation connection requirements and transmission congestion that exist today. These investments are also important in maintaining system reliability, obviously something that distributors are extremely interested in.

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What we'd like to emphasize particularly today is that the province's transmission system requires investments to maintain reliability, and we cannot afford to defer these expenditures that are required to manage the replacement and refurbishment of Ontario's aging transmission system. The need for these expenditures should be recognized and built into future plans.

Second, the approval of infrastructure: The electricity industry is facing considerable challenges over the next few years to meet supply requirements while phasing down coal facilities. We know that new transmission facilities are needed to facilitate the supply to customers, reduce constraints on the system and improve the ability to import power. Hydro One has under way the Niagara reinforcement project in the construction of underground transmission cables to improve reliability in downtown Toronto.

There's also a need to make investments to reliably supply the growing communities—a lot of those across the GTA. The installation of new generation or the closure of existing generation can also affect potential requirements around transmission facilities.

Hydro One has sought to obtain participation and support from local communities affected by these new planned facilities. Clearly, there is a need to ensure that regulatory approval is as streamlined as possible, while ensuring adequate review. A streamlined approach would reduce the uncertainty on potential projects.

Experience over the past few years has identified a need to improve the approach in terms of obtaining that approval. I'm afraid the not-in-my-backyard reaction—

Nimbyism—can significantly stall some projects and negatively impact on system planning.

Although we need to continue to address the legitimate concerns of local communities, of course, we must also take an approach which is balanced and fair to all. The electricity industry requires mechanisms that ensure timely project approvals to reflect the best interests of the province and ratepayers.

Third, rationalization of Ontario's distribution section: Until a few years ago, as you'd be aware, we had over 300 electricity distributors, and after a wave of consolidation between 1999 and 2000, a further handful since that time has taken place. We now have fewer than 90.

Likely, we'll have further rationalization of the industry in the coming years. This could be affected in part by re-issuance by the government of a transfer tax exemption. How dramatically that will impact further rationalization has yet to be determined. Currently, just for information, the largest 15 distributors serve about 80% of the customers in the province.

Changes to Ontario's electricity distribution structure have been debated for some time now, and the focus has been on how we can realize increased efficiencies, economies of scale, and so on, within the sector.

Two years ago, the Ontario Energy Board conducted stakeholder consultations on distribution structures that looked at the optimal LDC size and the barriers or incentives to consolidation, among other issues. Also, in 2005, the Minister of Energy indicated its desire to look at the future of the province's distribution and transmission structures, and released a white paper called *Electricity Transmission and Distribution in Ontario: A Look Ahead*. That stakeholder process was put on hold due to the emergence of more pressing concerns facing the government at the time.

After extensive LDC member consultation through the EDA in 2004, the EDA adopted 15 guiding principles through which restructuring might occur. One of the primary considerations included was this principle: "Any structural changes resulting from any distribution rationalization/consolidation must be accomplished on a voluntary basis." I think that's a key point for us today. Part of the reason for that, of course, is that we have independently owned shareholders, and those rights need to be respected.

The next issue is sufficient cost of capital, which is a concern of distributors affecting both Hydro One's distribution assets and transmission.

Distribution companies employ substantial levels of capital resources to provide the distribution services and investments, which they do, which ensure safe and reliable delivery of electricity to our customers, which they expect. In fact, that's a legislated responsibility that we have.

To sustain a required level of investments in infrastructure, we need and should be entitled to a reasonable rate of return—all utilities. This allows us to maintain our credit so that we can gain access to the capital markets in

order to raise our funds for investment. The allowed return, which is determined by the regulator, is critical in terms of having access to those external markets. These regulated rates of return send the appropriate signals to the capital markets to make sure that we can get access to it at favourable conditions.

Given the level of capital investments required to support our infrastructure, but also the conservation culture in the province, which we are pleased to do, it will require a significant capital investment of nearly \$1 billion in smart meter implementation. We need a reasonable rate of return to attract sufficient capital in order for us to finance a move ahead with those projects.

The recently proposed approach of the Ontario Energy Board in determining the overall cost of capital for Ontario's LDCs is a concern. It could in fact send wrong signals to the financial markets to raise the costs for us accessing additional funds.

The OEB's recent proposal does two things: First, it reduces the rate of return that could potentially raise the cost of attracting this capital; and second, it uses a one-size-fits-all cost of capital structure for all utilities which does not recognize differences in size, differences in geography and difference in rural and urban mix as well.

EDA's assessment of the various risk factors involved for distributors implies that the distribution sector as a whole has in fact increased risk in its business since market opening. Therefore, local distribution utilities now require greater compensation for that risk in order to attract sufficient capital.

To overcome the problems of the one-size-fits-all approach, we support a more flexible approach to the determination of the capital structure and determination of the rate of equity for return for utilities. The fact that Ontario's LDCs will be competing for capital in a highly integrated international market, if not just North America, can't be minimized when considering setting the rates for utilities. We have numerous examples of utilities that have issued public debt, which certainly fits that.

It's also extremely important to consider that legislated and therefore mandatory requirements such as the smart meter initiative require a regulatory environment that allows access to financing at reasonable rates for all utilities.

Overlapping responsibilities of public agencies: As Ontario's electricity structure has evolved in recent years, extra layers of bureaucracy have created duplication of effort and in some instances contradictory advice from different fronts. For example, there are three entities involved in transmission planning: Hydro One, the Independent Electricity System Operator and the Ontario Power Authority. It is further complicated by who makes these final decisions: Is it Hydro One, is it the IESO, the OPA, the OEB or the government?

There is a need for clearer accountability of the roles and responsibilities for these public agencies. This would help address overlap of effort and would create greater efficiencies both in the planning and approval processes.

Long-term load transfers: In this portion I probably will digress slightly from my speech in order to speed it up.

Where utilities have boundaries that overlap on each other, historically what they have had is a very efficient use of capital. If the neighbouring utility was too far for the existing utility to reach those customers, the neighbouring utility would build facilities to those customers, but they would still remain a utility of the original utility. They would build them and meter them, and there would be a settlement between the utilities at the end of the year. The system worked quite well.

In May 2007, the Ontario Energy Board is requiring that those situations don't exist any longer. Utilities either will have to build facilities out to those customers on the periphery—which in many cases may make economic sense; in other cases it may not—or they can ask for special leave of the OEB. That is uncertain at this point in time. Or they will need to purchase those customers from their neighbouring utility.

There are some 5,000 of these long-term load transfers in the province and about half of them involve Hydro One, and yet there's a ministerial directive right now that prohibits Hydro One from buying or selling assets. That is problematic for resolving this requirement, which has been mandated by the Ontario Energy Board.

The Acting Chair: I'm going to stop you there because your time has expired. It's the government's turn. They have five minutes.

Mr. Milloy: Thank you very much, Mr. Chair. I'd like to thank the group for coming forward and for their presentation.

This morning we had a chance to talk a bit about the need to increase capacity in terms of transmission. I talked about my community, a growing community with a large high-tech sector, and I just wanted to get your general thoughts. Obviously you've outlined some of them in your presentation, but if you want to expand on the role of your members who are working with Hydro One: I don't want to say "versus Hydro One," but together, what is Hydro One's role in this? What's your role over the longer term?

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Mr. Collie: Certainly. First of all, again, we represent the distributors. Hydro One, as a distributor, is a large member of our association. We work very closely with Hydro One and all our members work closely with Hydro One. I don't think anybody really doesn't have a relationship with Hydro One because they all access—either embedded ways or directly through the transmission grid—those assets, or on a day-to-day basis we have control responsibility back and forth through Hydro One and the relationship is professional, it's businesslike and it's quite good.

Our concern is more—which we've alluded to in our presentation—making sure that Hydro One has the transmission assets available for us as distributors so that we have the electricity capacity to bring to our customers as we need. The area that I directly represent is a high-

growth area as well. We're reaching the point where we need new transmission assets in our area and we want to make sure that Hydro One is ready, available and has the capital in order to move ahead with those types of assets.

Mr. Milloy: I'm going to yield to my colleague here.

Mrs. Mitchell: Thank you very much for coming today and making the presentations. I'm just going to go a bit further than John. You didn't speak to your relationship, really, with Ontario Hydro. I wanted to give you the opportunity to expand on it. Do you find it a good working relationship?

Mr. Collie: I'm sorry, could I ask for a clarification? You said "Ontario Hydro."

Mrs. Mitchell: Sorry, I swing back and forth. I'm like when you talk about the muddies that the OPA—

Mr. Collie: We almost need a chart with all the different groups that we have today.

Mrs. Mitchell: Hydro One. My apologies.

Mr. Collie: Certainly. Again, the relationship works in several ways. There's an operating relationship, which is a very strong, professional operating relationship which we have with the organization. Many of our direct utility members have been through the operating centre in Barrie, which is a world-class facility that has terrific employees that work well with our employees on a day-to-day basis. So that's the working relationship. We also work very closely with Hydro One as the distributor on many industry issues. They've been a member of our association for some time, and because of the depth of talent they have in the organization, they bring a lot of expertise to the table that some of our smaller utilities don't always have. That relationship is good and solid.

Also, on the transmission side there is a different relationship. In that case it's not really a supplier, because they're not supplying the electrons, but in an indirect way a facilitator of capacity for us as utilities, and it's a different relationship there. But again we always want more capacity, and there are issues around physical capacity, but it's always a professional one.

Mrs. Mitchell: What we have heard throughout the day is transmission. Almost every presenter has talked about the need for an increased level of transmission. You certainly have concurred too. You also made reference to the cookie cutter and one size fits all. I wanted to give you an opportunity to expand on that too.

Mr. Collie: Sure. It really relates to the issue that we addressed, which was making sure that utilities and transmission companies have a sufficient rate of return to attract capital. That issue transcends transmission and distribution. Particularly we're talking about smart metering, which is a very capital-intensive undertaking, which we're pleased to do, but it is significant. So one of the considerations that the Ontario Energy Board is looking at is that every utility has the same deemed dead-equity structure. That probably isn't realistic, I think, in our opinion, given the disparity in size of the utilities.

The Acting Chair: Okay. It's now time to move on to the official opposition.

Mr. Yakabuski: Thank you for joining us today. My friend across the way, Mrs. Mitchell, certainly did get it right with our concerns here today with respect to Hydro One. Number one is transmission, because basically what they operate is the transmission system here. As you mentioned, all of your LDCs basically have to deal with Hydro One because they're the ones that bring the power to your companies to distribute locally. They bring it through the major infrastructure lines.

You seem to have, I think like a lot of us have, concerns about where we are with respect to infrastructure, outlook of transmission, outlook here in the province of Ontario. I didn't hear that concern in the presentation from Hydro One this morning. It's certainly a concern that I have and that I've heard from many, many people. Without significant upgrades and timetables changing—and you talked about Nimbyism and everything else with regard to the energy plan submitted by the OPA—how much concern should we have about being able to implement those if we don't get a handle on transmission in the province of Ontario?

Mr. Collie: I think it's very easy sometimes to be focused on generation. Obviously that's a whole different topic and major concern right now for distributors, the supply constraints around generation. But as I'm sure you've heard today, in many cases you can't site generation without sufficient transmission, so the two must go hand in hand. I'm not sure sometimes that's as fully considered as it needs to be. It is a very serious concern. I think the system we have is well managed for the assets we have, but as I said, those are aging and we are talking about siting different generation throughout the province. So those transmission considerations certainly need to be taking place.

As also mentioned, I think it's the process of approving new transmission. So if we all decided tomorrow we want to do a transmission line, it's not perfectly clear as to where the authority lies and what the approval process is to get through new transmission. There have been some incidents where that has slowed up an opportunity for transmission to be a solution to a constraint problem in the province.

Mr. Yakabuski: And there are some where it simply didn't happen—

Mr. Collie: That's probably fair to say, yes.

Mr. Yakabuski: —as I'm sure you're aware.

The next question is smart meters. I know the government rolled out a fair chunk of change for the LDCs when it came to conservation initiatives, to make them somewhat more palatable with the smart meter initiative, but I'd like an evaluation as to honestly where we are with the smart meter initiative. I believe it's 800,000 by 2007 and 4.5 million or something by 2010. Are those timetables realistic at this point? I don't even think they've made a choice on the technology at this point. Are they realistic?

Mr. Collie: Before I answer the tail end of your question, I should just state what the EDA is doing. We've been working very carefully on numerous

committees that have been set up to look at the detailed specifications for the metering devices. We've worked on the practical implementation problems that go with smart meters and come up with solutions. A number of our members have issued a request for proposals in order to get proper vendors that can supply the meters for the first wave.

Mr. Yakabuski: So it's complicated.

Mr. Collie: It certainly is not without challenge. It's complicated. At the same time, we have today a number of members that have started down that path already and have smart meters installed. I don't have a particular number for you today, but they're well on their way to trying to reach the objective of the 800,000.

Mr. Yakabuski: Is it realistic, and is the 2010 objective realistic?

Mr. Collie: It is a requirement, as far as we're concerned as distributors, and we are making sure that as distributors we meet that requirement.

Mr. Yakabuski: Thank you very much.

The Acting Chair: Mr. Hampton.

Mr. Hampton: I'm struck by the comment you make on page 14. You're trying to deliver electricity to your customers and you point out, "There are three entities involved in transmission planning: Hydro One, Independent Electricity System Operator and the Ontario Power Authority." This is "further complicated by who makes the final decisions: Is it Hydro One, the IESO, the OPA, the OEB or the government?"

I just did a quick, back-of-the-envelope chart here. We now have involved in delivering electricity in Ontario: Hydro One, Ontario Power Generation, Ontario Power Authority, Ontario Electricity Financial Corp., the Electrical Safety Authority, the Independent Electricity System Operator, the Ontario Energy Board, and soon to be something else called the metering entity. How much money is tied up in the Ontario electricity system trying to navigate this gargantuan structure?

Mr. Collie: I think you missed the conservation bureau, actually.

Mr. Hampton: They're part of the OPA.

1530

Mr. Collie: All right. That's probably fair. There are a lot of agencies. Today I'm just speaking to distribution and transmission, so the issue was around transmission and the complications. We have specific examples of when Hydro One, to meet new growth, has brought potential transmission solutions for constraints and the approval process was just not clear. So I'm not even speaking to dollars and I'm not in a position to be able to answer dollars, but just in terms of added complexity. All we're asking for as distributors is that we know we've got those end customers. We know they want electricity when they enter into a new home and we want them to use it efficiently. We're pleased to do our conservation and demand management programs, but they do need electricity and we want to make sure it's there. And we don't want potential transmission solutions unnecessarily

tied up because everyone's not sure where the approval is to come from.

Mr. Hampton: From your comments, it sounds to me like the metering concept—I'm not going to call these things "smart meters" because it's not at all demonstrated to me that there's anything smart about them. But the metering concept strikes me as causing you some problems. You mention problems with capital markets, you mention rate-of-return problems, and I see the figure of \$1 billion. Can you elaborate on the rate of return? And is the billion dollars just implementation so far? Because as Mr. Yakabuski pointed out, there is this phased implementation.

Mr. Collie: Our reference to \$1 billion is really kind of a rough figure that's been thrown around, which would include, in general, the entire installation of all the meters. The issue for us as distributors is really that we're working diligently to put in those meters. We're working on all the committees necessary to make sure the specifications are good and that customers get the information they need on a timely basis. But what we need to be assured of is, we have shareholders and we have investors—in many cases, these utilities have issued public debt. We need to make sure that as we're expending those dollars toward that \$1 billion there is a return available to our business for that investment. That is one of our concerns, yes.

Mr. Hampton: Are you worried that you might have to incur these costs and not be able to recover those costs?

Mr. Collie: We want to make sure that we can fully recover those costs, yes.

Mr. Hampton: This is really for clarification: You make reference to the long-term load transfers, right?

Mr. Collie: Yes.

Mr. Hampton: I just want to be clear. I'll give you an example from my part of the province. We have Fort Frances Power Corp., a small distributor. Surrounding it you have Hydro One, but there are maybe some customers who are close to the geographic boundaries of Fort Frances Power Corp. It would be easier for the power corporation to build a distribution line or whatever it might take—it might even take a limited transmission line, I don't know, but it's easier for them to serve those customers than it would be for Hydro One to duplicate or come all the way around. Is that typically the situation you're talking about, that sort of thing?

Mr. Collie: Yes, it is. Your example is relevant where you have a municipality but the utility might not have infrastructure built out to its border and Hydro One might have built assets. It makes a lot of sense to do that. It's very efficient to build assets into the municipal border to service those customers and now the May 2007 requirement is that those be settled up.

Mr. Hampton: They'd be rationalized once and for all rather than an annual settlement?

Mr. Collie: Yes. According to that requirement, we need to settle out those long-term load transfers, and

there are some 5,000 of them. A ministerial directive makes it awkward for utilities to do that today.

The Acting Chair: That's a good time to close, because it's now time for our final presenter of the day. I'd like to thank you for coming here today.

ONTARIO FEDERATION OF AGRICULTURE

The Acting Chair: I'd like to call on the Ontario Federation of Agriculture. Thank you for joining us. If you could just, before you commence, identify yourselves for Hansard and proceed as you wish.

Ms. Bette Jean Crews: Thank you. My name is Bette Jean Crews. I'm with the executive committee of the Ontario Federation of Agriculture. Your notes may say that you were expecting Geri Kamenz and Paul Mistele, who couldn't be here today. I am very pleased to be here in their place. With me is Ted Cowan, research staff with the Ontario Federation of Agriculture.

Reliable and reasonably priced hydro is essential on farms because hydro moves the air, moves the water, moves the feed and washes the barns, so without it crops would spoil, livestock would die and the work to be done would overwhelm a dozen men. Hydro One has over 100,000 farm accounts, and other local distribution companies have close to 40,000 more. On average, farms have three hydro accounts, although there are some with over 50 because there are different meters on each barn and different meters for the house. Power usage on farms varies from about 25,000 kilowatt hours a year—twice that of an average home—to tens of millions of kilowatt hours a year for the largest poultry and greenhouse operations. Total power use on farms comes to about 4% of Ontario's use. Farm customers are more than 10% of Hydro One's distribution revenue base. We're not the largest user of power in the province, but we are significant users.

OFA works with Hydro, the Ontario Ministry of Agriculture, Food and Rural Affairs, and the OPA to promote conservation. OFA is involved in trying to make hydro better for farms. OFA advocates at rate hearings and meets regularly with Hydro representatives at every level, and we are particularly pleased to be here presenting to the committee today. So in a sense, this talk is our report card to Ontario Hydro, and as such it's our duty to provide advice and assistance that will help Hydro One improve where that is needed and to accurately report where Hydro is doing well—and there are many such areas.

We should be aware of the context in which we are working. The years of discussion about privatizing Hydro One were minimally productive. Staff were distracted from their work; thousands were laid off to make the books look better to prospective buyers; some officials felt that there might be bonuses in the form of shares and managed infrastructure that has to run for 70 years on a short-term basis. Hydro One has come through a difficult time and is a more efficient and effective organization

than it was six years ago. With its present management, Hydro One has largely put these distractions behind it and once again is doing what it had done well.

Hydro One has become more customer-oriented, more open and transparent, and in several important ways has changed to better integrate the views of its customers. This is no small thing, and it is fair to say that Hydro One, along with Bruce Power, has performed better than the other major entities derived from the old Ontario Hydro.

Specifically, in the past three years, Hydro One has:

- (1) maintained a very low level of outage time—less than 20 minutes per customer per year;
- (2) improved its earnings;
- (3) maintained an enviable safety record—only one death of an employee at work in the past several years;
- (4) improved and increased their forestry service and so is reducing outages;
- (5) improved service in northeastern Ontario;
- (6) aggressively replaced transformer stations that performed below standard;
- (7) responded to 2005's and 2006's extreme weather events safely and rapidly;
- (8) improved their notice to customers of planned service outages and consistently scheduled more of these for lower-priority times;
- (9) kept recent rate increases for farm customers to below 6%, compared to increases of 9% to 15% for customers in many other utilities in Ontario;
- (10) instituted a customer advisory board and improved its customer service research to be better informed about customer views and improve customer input; and
- (11) contributed to public dialogue and action on conservation, system planning and meter changes in a positive way.

1540

This is not to say that Hydro One is beyond improving. There are several areas where improvements are warranted, possible and useful and would be sound investments.

Hydro One provides its large industrial customers with account representatives who ensure that service to these 140 large industrial customers is at the highest possible standard and who arrange service upgrades. The farm community uses as much as or more power than the largest of these large customers, but it does not have a farm account representative. A 1-800 line for farm customers that connected to representatives who know farm power problems would be useful for farmers and Hydro One.

Line losses for farm customers are estimated at 9%. This estimate has never been accurately measured. It adds 9% to every bill—and we pay sales tax on the 9% too. Many rural utilities in North America have line losses in the 5% to 7% range. Hydro One is at the high end of what is claimed for line losses. Total losses are in the \$70-million range.

Some losses are physically inevitable, but a 5% loss rate is possible, and a reduction from 9% to 5% would save rural customers \$10 million a year and save power. It is worth investing \$35 million over the next few years to save \$10 million a year each and every year thereafter.

The demands on Hydro One for maintenance and repairs after storms have added to delays for service on customer requests. A system whereby private suppliers would be allowed to do more things, with Hydro paying part of the bill when they cannot do the work themselves before some reasonable deadline—a week for some things, 30 days for others—would be useful. This isn't quite the same as getting your pizza for free if it's slow, but it creates the incentive for prompt response. Similarly, electrical safety inspections should be on the same system.

Stray voltage is a longstanding problem for dairy operations. Stray voltage reduces milk production and weight gain in cattle. In extreme instances it leads to infertility, abortions and death of stock. Some observers claim that it also affects human health. The standard for stray voltage in Ontario remains at 10 volts. Vermont is at less than half a volt. More effective action on stray voltage in large animal livestock facilities is required.

Delays in service in rural areas help chase businesses out of the country and into the cities. So do line losses. So does the rate structure. Hydro One is a key to business development in rural Ontario, and its performance should help with this.

Demand charges for farms and businesses should be restructured so small operations on demand meters are not penalized. Most farm customers with demand meters do not get heavier-duty lines or transformers, so they are not creating new costs. But they provide Hydro with an extra \$15 million a year in revenue from the farms alone compared to volumetric charges. This can be an extra \$1,000 a month for a farm or business, and that is reason enough to move to a town that will treat them better. For example, a farm using \$30,000 in power a year on volumetric charges will consume about 270,000 kilowatt hours. With a demand meter they could receive as little as 175,000 kilowatt hours for their \$30,000.

A sounder basis for demand charges would be to continue volumetric charges up to 100 kilowatts rather than the present level of 50 kilovolts, and to cap demand charges at 120% of the rate that would have applied if the customer were on demand charges.

OFA is working to move corn into the coal plants to provide an immediate cleaner source of power as coal is phased out. We can do this now, but we're looking for \$300,000 in public support to match the \$375,000 we've already raised in the private sector to do the needed test research. This work will lead to cleaner air and start building the transition from fossil hydrocarbon fuels to farm-sourced, sulphur-free carbohydrate fuels.

Looking ahead, Ontario is entering an era when fuel from Alberta is running out. We should plan for that day. Ontario's new energy supplies will come from its farms and forests. Investment now to expedite that is in order. It

will put Ontario in the forefront of new economies. Biodiesel, hydro from wind and methane, and heat from pyrolyzed wood and straw are all part of our future. This will require that we add three-phase lines so farms can send power to cities as well as draw it from large power plants, and it will require a higher level of reliability as the consequences of outages will not be limited to having to switch to a generator to milk cattle; they will include reduced power for farm customers in cities. Hydro planning should look ahead to include this more sustainable future starting now, and it may be useful to add generation on distribution lines to the OPA planning mandate.

Hydro One is an important partner on the farms. They're doing a good job at not a bad cost. Looking ahead to the future of Ontario and of farming, there are more things they are going to have to start doing and doing well. These include addressing line losses, three-phase lines for export of power from farms to cities, fairer demand rates and still better contact with customers. Bearing in mind that the 100,000 farm accounts are 10% plus of Hydro One's revenue base from distribution and that we intend to be important in the Hydro One service area for a long time to come, our views on hydro warrant some consideration.

On its report card, Hydro One certainly deserves several strong As in financial performance, safety, response to extreme events, notices of outages, minimal outage times on average, transmission line losses and in its dealings with its large transmission-based customers.

For the structuring of its demand rates, its efforts jointly with municipalities to build business development, and its standards on stray voltage and distribution line losses and eliminating public contact at local offices, nothing better than Cs are warranted.

For its efforts in conservation, outage time for rural customers, improved small customer contact and improvements to its call centre, strong Bs are fair.

Overall, a B+ is in order. In fairness, areas of highest present priority are areas where Hydro has performed best. Given limited resources, weaker performance on lower priorities is not unexpected. Nonetheless, stray voltage, line losses, business development efforts, fairer demand rates, and planning to move distributed generation power from farms to cities are important in rural Ontario. These items have to receive more attention if Hydro One is to continue to fill its role in Ontario.

Hydro has to look farther ahead for both its transmission and distribution services if the new 70-year investments are to be sound, and this will require a shifting of and expansion of priorities to address power congestion in the 416 and 905 and the need to move customers into and power out of the 519 and 705 local areas.

Thank you for the opportunity to meet and to present to you today. Again I mention, Mr. Cowan is our staff and resource person. If you have questions, I'm sure Ted is probably the one most suited to answering them.

The Acting Chair: Okay. Thanks very much. You used your time wisely; you were right on time. Mr. Yakabuski.

Mr. Yakabuski: Thank you, Bette Jean and Ted, for joining us today. Until you reached the point that said, "This is not to say that Hydro One is beyond improving," I had actually left the room and I thought that perhaps we had a new submission from Hydro One. But it turns out I did look at the thing and saw that you were from the OFA.

I would concur with a lot of the things you say. We had a lot of significant storms this year, and I've got to tell you that the Hydro One crews in my area were absolutely fantastic in the work that they did to restore power, particularly after the tornado that hit Combermere and area. I had much contact with them throughout all of the outages, and I must say they've been very, very co-operative and helpful.

1550

You talked about a couple of things here. The line losses, 9%, is that the part that you see on your bill where you use that factor? Is that where you get the 1.09, the kilowatt hours—

Mr. Ted Cowan: That's right, and that number is submitted by Hydro One to the energy board for approval in their rate submission.

Mr. Yakabuski: So they've got a 9% line loss built in there—

Mr. Cowan: On rural lines.

Mr. Yakabuski: Well, I'm a rural customer, so I see it on mine. I wanted to make sure we were on the same page on that.

Now when you say other jurisdictions have 5% or they're much lower, some of them are much lower than 5%—

Mr. Cowan: Manitoba, Saskatchewan, Idaho—empty places, long lines, difficult to repair—

Mr. Yakabuski: Different types of transmission too, eh? Quebec, BC—

Mr. Cowan: Slightly different transmission systems, yes. Simpler systems to some extent because they don't have the urban complexities in them.

Mr. Yakabuski: Right. The stray voltage, what is that? That's just leakage as it's going through or by?

Mr. Cowan: Stray voltage is any current that is where it shouldn't be. It's not on a wire. In a barn it can be caused by an improper switch or an improper motor, causing a ground leak to a stanchion in the barn. When the cow drinks, it gets a shock, which goes from the nose to the hind hoof. You feel a shock according to the square of the mass of your body, so a 50-pound child will feel one quarter the shock of a 200-pound person and a great deal less compared to a 1,600-pound cow. The man will feel 64 times less shock, if you will, than the cow, which is eight times heavier.

That is the problem with it, the irritation and the discomfort that this causes, which puts them off their feed. In fact, there are many instances over the years of cows being killed by stray voltage, of abortions of calves

being induced, of milk production being lost, of quality of milk going down and so on. It is very, very difficult for a producer to deal with.

Mr. Yakabuski: I'm trying to get my head around it. Is that a problem with the grid, the infrastructure? You just said a switch in a barn—

Mr. Cowan: There are three general causes. One, it can be caused by problems with old or faulty wiring in the barn. That's the farmer's problem. He made it or his electrician made it; it's his to correct.

You can have situations where power goes to ground outside, on the grid, either at a transformer or off a pole in the vicinity. It will travel underground, and because cement is a better conductor than ground, when it finds the first piece of cement, which will be a dairy barn floor 99 times out of 100, it comes up and when the cattle are in that barn, then they feel that once again.

There are some natural causes. When a wind blows strongly on a metal barn, the movement of air with a slightly different charge on it than the ground induces a current in the metal barn and that will cause current to flow in the barn. You can have excess voltage coming into the barn as well over the line. So it can come on the lines; it can come through the ground; it can be induced in the barn either by faults or by natural causes.

Mr. Yakabuski: What can Hydro One do to reduce that?

The Acting Chair: I have to stop you there. Mr. Hampton, can you proceed?

Mr. Cowan: Sorry. We'll discuss it later.

Mr. Hampton: I was getting a charge out of that line of questioning.

Interjections.

Mr. Hampton: I want to ask you about three-phase lines, though; three-phase power, as I understand it. Can you just describe for me what difference that would make in terms of farm operations?

Mr. Cowan: Two differences. For ordinary farms as we presently think of them, three-phase power is somewhat more efficient for running motors than single-phase power. With large elevators, with manure scrapers, large dairy operations and the compressors—

Mr. Hampton: Water pumps.

Mr. Cowan: Water pumps—all very useful. When you put a generator on a farm to provide power off the farm, you need three-phase power to get it out. With a single-phase line you cannot export power. If we want distributed power in the province, if we want methane generators and wind generators, they've got to be on three-phase lines. We don't have three-phase lines everywhere—they're in probably 25%, maybe 30% of the places.

In the long haul, we're going to need the power that comes from farms: That's the energy of the future. The oil is almost all gone. The coal—some people don't like it; a lot of people don't like it. The sustainable choice is what we grow, where we've always gotten power—and that's going to require three-phase lines.

Where we always got power, 100 years ago, was off the farm. It was wood, it was oatmeal. Now we're going to be looking back to the farms for our power sources starting in about 30 years in a big way, but starting now right away. Three-phase lines are required to move that.

The difficulty here is that the power authority, one of the many groups that plan—

Mr. Hampton: One of eight.

Mr. Cowan: They are limited to considering only power lines 50 kilovolts and up, which include none of the distribution lines. They're not allowed to plan for distributed generation. Hydro One can plan for that. We're not too worried about who does it as long as it gets done, as long as that's implemented.

Mr. Hampton: To your knowledge, is it getting done?

Mr. Cowan: I don't think anybody has looked all that far ahead. The initial OPA plan last fall looked through to, I think, 2016 and they're now looking forward to about 2025, but we're building 70-year assets and we're planning for 25 years. The two things should be in sync and they're not. That's one of the messages that's in here.

Mr. Hampton: Could I ask you to further delineate for us the whole issue around volumetric charges?

Mr. Cowan: Right. There are two kinds of meters. With an ordinary volume meter, if you use 10,000 kilowatt hours a year, you'll pay approximately 11 cents per kW for your power, your distribution charge, for transmission, local distribution and your monthly service charge. You pay per kilowatt hour on a volumetric basis.

If you have a demand meter, you pay per month according to the hour in which you used the most number of kilowatts in that hour, so that might be 120. In Toronto you pay about \$5.60 per kW used in that peak hour. In Hydro One you pay \$12.25, so a little more than twice—which is a bit of a sting, but we understand.

Mr. Hampton: When you say understand—

Mr. Cowan: We understand that there are longer distances that have to be covered there, but the charge is high. But what really happens—you used to get your first 100 kilowatts free, and then you would start paying. In the second-last rate hearing it was reduced to 50, so 50 is the new threshold for being put on a demand meter. In that example, if you're on a demand meter and you're still using that \$30,000 worth of power, you're actually paying about 20 cents per kilowatt hour if you're on a demand meter, for those farmers, instead of the 11 cents for everybody else. Well, if you're an abattoir or a welding shop or a woodworking shop and you wanted to be out in the country because you thought you could get some good employees from there, and you had a reasonable location and you were going to serve customers in each different direction, now you're looking at your power bill, saying it's twice the difference. It's the difference between 11 cents and 20 cents. All of a sudden you're looking at \$1,000 a month. That's \$12,000 a year right out of your pocket, and that's reason enough to move.

The Acting Chair: It's now the government's time.

Mrs. Mitchell: Thank you very much for coming in today and making the presentation. I can't think of how many times we have talked about energy already, so I look forward to having the opportunity again.

Mr. Cowan: Thank you kindly.

Mrs. Mitchell: One of the things I did want to talk about and I do want to make a special point of—certainly the bulk of Hydro One is within the rural communities. I look at it, do the geography, that's where the bulk of their customers are: in rural distribution. The fact is that you did give a B+ overall. You've made some very supportive statements about the shift, the change. I must say that I have always found you to be a straight shooter, as they say around the rural communities. I just wanted to give you the opportunity to expand on it, if you wanted to. You certainly have the points laid out here, but I did want to give you a chance.

1600

Mr. Cowan: Fundamentally, the hydro system today works. The lights are on. They're on all over the province and they're on at what are still relatively low rates in the North American context. One of the things that has happened, though, is that we're moving up into the North American average, and compared to many of our competing jurisdictions, we're getting ahead of them.

Quebec agriculture gets power delivered to the door at about 5.5 cents, and we're paying about twice that. If you're on a demand meter, you're paying twice that again. For people for whom power is a major cost, that's a very significant consideration. We don't believe that Quebec will be selling Ontario large amounts of power. We think they're going to keep it for themselves in the hopes that the auto plants will go there. That's going to be a problem for all of us on the farms, in the auto plants and so on.

We're not sure that the power line from Manitoba is a realistic thing, to run a power line that far and hope to keep power costs down.

So our concerns are looking ahead. Today is pretty good. The planning for tomorrow is questionable because we think we're planning too short term around several questions for assets that are being built much longer term. We have 25-year plans, but we have a 10-year delay in actually building the thing that we're planning.

Mrs. Mitchell: One of the things that we have heard clearly today is the need for longer-term planning of transmission lines. That's clearly what we've heard today.

One of the things that I wanted to ask about too specifically was the line losses. You've talked about them, but you haven't made any suggestions for rural communities. I just wanted to give you that chance.

Mr. Cowan: Probably the most useful thing to do to deal with line losses everywhere and also to deal with power capacity in this province is to shift to night storage, so that you have what amounts to a solar system. It's a solar system without the solar cells. You charge your batteries off the grid all night long at three cents a kilowatt hour. You use the stuff during the day when it's

ordinarily priced between five to 15 and you save the money. You have to spend a bit to get this. It's half the cost of an ordinary solar system for an ordinary house. So on a \$200,000 house you're adding \$10,000 to the cost of the house. It is an increase, yes, but for the whole life of that dwelling it will keep the cost down. Yes, the batteries have to be replaced. It used to be every three years; now the batteries will go 10 years without any increase in cost. So this is something well worth considering. As far as we're concerned, it's about the only reason for having a smart meter on small and medium businesses or residences.

Mrs. Mitchell: I also think—

The Acting Chair: The time is concluded, unfortunately. It's a good time to stop anyway.

Mr. Cowan: It always is.

The Acting Chair: I want to thank you for making your presentation. I know the committee has appreciated your time.

At this time, Hydro One is permitted to make some concluding remarks in response to the depositions. We afforded the opportunity to all of the agencies that have appeared with us today, and I afford that opportunity to Hydro One, Ms. Burak.

Ms. Burak: I appreciate the opportunity to make concluding remarks. I can assure you I will be very brief indeed, just a couple of minutes.

We appreciated the views of all of the stakeholders who were here today. Many helpful suggestions were put on the table and we'll be following up. But I must take exception to the submission that was put to the committee by the society.

Even in the context of a sensitive labour relations environment, what was put before the committee goes beyond the pale. The society's brief was scurrilous, untrue and likely litigious, and we will respond to the submission with the facts.

For the record, we have an excellent relationship with our other bargaining unit partners, including the larger bargaining unit, the Power Workers, the president of whom is a member of our board. We look forward to sorting out our relationship issues with the society at the labour board, the vast majority of whose decisions, by the way, on matters brought before the labour board by the society up to, during and past the strike were found in the employer's favour. I just felt it was extremely important to put those comments on the record. Thank you for the opportunity.

The Acting Chair: Thanks very much for your comments. That concludes the hearing today. The committee will adjourn until September 27 at its next regularly scheduled meeting. I want to thank all the committee members for attending this week, and I want to thank you, Rita, for making that presentation.

The committee adjourned at 1606.

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GOVERNMENT AGENCIESCOMITÉ PERMANENT DES
ORGANISMES GOUVERNEMENTAUX

Wednesday 27 September 2006

Mercredi 27 septembre 2006

The committee met at 1003 in room 151.

SUBCOMMITTEE REPORTS

The Chair (Mr. Tim Hudak): Good morning. The standing committee on government agencies is now in session for our regular meeting of Wednesday, September 27, 2006. Welcome back, everybody.

We're going to start with the first order of business: the report of the subcommittee on report writing.

Ms. Smith, would you mind reading in the motion?

Ms. Monique M. Smith (Nipissing): I'd be pleased to this morning.

Your subcommittee met on Thursday, September 14, 2006, to consider the method of report writing, and agreed to the following:

(1) That the research officers prepare preliminary draft reports on the Liquor Control Board of Ontario (LCBO), the Ontario Lottery and Gaming Corp. (OLG) and Hydro One, each focusing on three major issues along with suggested recommendations for the committee to consider.

(2) That the research officers provide the subcommittee members with the preliminary draft reports on the LCBO and the OLG by noon on Monday, September 18, 2006, and a preliminary draft report on Hydro One by noon on Tuesday, September 19, 2006.

(3) That the subcommittee members may provide the clerk with additional topics they wish to be covered in the preliminary draft reports by noon on Friday, September 22, 2006.

(4) That the committee meet on October 4, 2006, for the purpose of report writing.

(5) That the committee aim to have a finalized version of each report approved and ready for translation and printing by November 30, 2006.

(6) That the committee aim to present the final reports on the LCBO, OLG and Hydro One before the House rises in early December 2006.

The Chair: Outstanding. Ms. Smith has moved that motion for adoption. Is there any discussion on that motion? Seeing none, all those in favour? Opposed, if any? It is carried.

Ms. Smith, thank you very much.

Ms. Smith: You're welcome.

The Chair: Members will note that at our next regular meeting, then, of October 4, we will moving on to report writing. Your subcommittee members have already been

involved in discussions with the clerk, research and me, as Chair, in terms of helping to determine those three particular topics in each of the agencies that were reviewed through the early weeks of September.

Our next order of business is a report of the subcommittee on committee business dated Tuesday, September 5, 2006. We've need movement of adoption.

Ms. Smith: I move the adoption.

The Chair: Ms. Smith moves adoption. Is there any debate or discussion? All those in favour? Opposed, if any? It is carried.

Our next order of business is a report of the subcommittee on committee business dated Thursday, September 14, 2006.

Ms. Smith: I move the adoption.

The Chair: Ms. Smith moves its adoption. Is there any discussion? Seeing none, all in favour? Opposed, if any? It is carried.

You're on a roll. We'll keep that Parsons out of here and—sticking to the quick reports.

All right. We will move other business until after our appointments review to try to keep our time with Mr. Lewis and Mr. Wiggan as brief as is possible.

INTENDED APPOINTMENTS

MARK LEWIS

Review of intended appointment, selected by official opposition party: Mark Lewis, intended appointee as vice-chair, Ontario Labour Relations Board.

The Chair: I'll call our first intended appointee, Mr. Lewis. Please come forward and grab a seat there at the front. Make yourself comfortable.

Mr. Lewis is the intended appointee as vice-chair of the Ontario Labour Relations Board.

Mr. Lewis, I don't know if you've had a chance to see this committee operate in the past. You're welcome to make some opening comments about your background and your interest in the position with the OLRB, and then we'll begin our rotation. Questioning will begin with the government members today. Mr. Lewis, the floor is yours, sir.

Mr. Mark Lewis: Thank you, and good morning. Firstly, I wish to say I welcome the opportunity to tell you a little bit more about myself than the bare-bones information which was contained in my application, though some of you know me from other areas.

To start with the most obvious, I've been a practising labour lawyer for the last 15 years. During that period of time—and in fact, even before I was called to the bar—I've appeared in front of the labour board on a continual basis.

In preparing for this morning, I was trying to estimate, and I think it's fairly accurate to say that I have appeared at the labour board on at least two days of every working week of my professional career. I'm therefore quite familiar, I believe, with the general statutes that the labour board has jurisdiction over and its general jurisprudence, rules, practices and procedures.

In addition to my working experience with respect to typical labour law, I have throughout my career specialized in construction labour relations and therefore, I believe, have a thorough working knowledge of those particular and unique statutory provisions, rules and jurisprudence which apply to construction industry matters and which, as I understand it, form an ever-increasing portion of the day-to-day work of the board.

More generally, in recent years I've been asked to speak on at least an annual basis at professional development conferences which have been put on by the construction industry labour relations bar in this province.

I wrote the initial drafts of the last update of a book—Sack and Mitchell's guide to practices and procedures of the Ontario Labour Relations Board—which I believe is still the standard text for those practising before the board.

As you can see from my application, I spent the last eight years of my career working as general counsel for Local 183 of the Labourers' International Union of North America. In that position, in addition to doing the standard legal work which I think most labour lawyers would be familiar with, I was also able to be involved with the construction industry as a whole, as an industry. I had the opportunity to work with employers and employer associations in matters of interest to the entire industry in a co-operative, collective way, which I think is quite different from the typical experience of most labour lawyers, who generally only get involved, at least on the union side, in the adversarial context.

1010

I realize that I have to be brief here, so I'd just like to say to you as a committee what a tremendous honour I feel it is to even be considered for the position of vice-chair. I've spent my entire professional life appearing in front of the labour board. Although, like most lawyers, I can't say I've agreed with every decision they've ever rendered, I've had the utmost respect for the board as an institution and the important role that it plays in our system of labour relations.

I also know, and it's because it's obvious, that I have spent my professional life up to now on the union side of the labour relations equation. Therefore, I would like to take this opportunity before you as a committee—and, I suppose more importantly from my personal perspective, before the whole labour relations community—to go on the record and state that if I was appointed to be a vice-

chair, I am completely committed to acting in a manner which is neutral and professional, and thereby to uphold what I regard as the best traditions of our labour board in its ability to dispense justice in a manner which is expert, fair and always impartial.

That's it for now.

The Chair: Terrific. Mr. Lewis, thank you very much for your opening comments and some brief words about your background and interest in the position.

Can we get the government side? About seven minutes, if necessary. Mr. Parsons.

Mr. Ernie Parsons (Prince Edward-Hastings): I'm just curious how you got to this point. What process did you follow to get here?

Mr. Lewis: In some ways, the decision was made for me. My job at Local 183 ended quite abruptly. I think you know from the—

Mr. Parsons: That's a motivator.

Mr. Lewis: I'm not independently wealthy, so I needed a new job. That occurred in mid-June. Approximately one week later, I was phoned by an individual who had just ceased being a vice-chair at the board and was now an arbitrator, and he asked me if I was interested in becoming a vice-chair, so I said I was. He said that he would contact the chair of the board for me, Mr. Whitaker. Mr. Whitaker subsequently phoned me.

I'd been asked on previous occasions by this chair and previous chairs if I was interested and if I'd consider, so that's how it started.

Mr. Parsons: Thank you.

The Chair: All set? Thank you very much. To the official opposition side. Mr. Tascona.

Mr. Joseph N. Tascona (Barrie-Simcoe-Bradford): I want to welcome you here this morning. It's good to see you again, Mr. Lewis.

Mr. Lewis: Thank you.

Mr. Tascona: I want to ask you a few questions. The government put in place a policy September 1, 2006, with respect to a change in the appointment process in terms of changing the compensation plus putting in term limits. What's your understanding, if you do have any, with respect to your appointment, what it's subject to? Is it subject to the new policy? Do you understand what you're being appointed for, the term etc.?

Mr. Lewis: I can't pretend I have a complete and thorough understanding, but it is my understanding that I am being appointed under the new policy and it is for two years.

Mr. Tascona: And that's going to be a full-time vice-chair?

Mr. Lewis: Yes.

Mr. Tascona: With respect to the background information, I think you were pretty candid in indicating that you were general counsel for the Universal Workers Union, Labourers' International Union of North America, Local 183, from 1997 to 2006. Is that correct?

Mr. Lewis: That's correct.

Mr. Tascona: And you practised labour relations law for 15 years?

Mr. Lewis: Yes.

Mr. Tascona: With respect to the Local 183 situation, there was a decision rendered by the board, as I understand it. What is the status of that decision? Is it still in front of the labour board? Are there any more proceedings in front of the labour board involving this particular local and its parent?

Mr. Lewis: I ceased to work for Local 183 in mid-June 2006, so I don't have actual first-hand knowledge. As I understand it, the original decision that was issued by the board was a bottom-line decision without reasons. As I understand it, those reasons have not yet been provided. The board did remain seized of various outstanding matters and there have been ongoing proceedings before the board, and I think there are still proceedings scheduled before the board. But I couldn't tell you what those proceedings are going to deal with.

Mr. Tascona: And Mr. Whitaker—is it Mr. Whitaker, the chairman of the Labour Relations Board? He's with us here today.

You're comfortable, because I know of your integrity, that being a vice-chair at the Labour Relations Board, you're not going to be put in a situation that would involve Local 183 in terms of your functioning.

Mr. Lewis: I am completely comfortable with being a vice-chair. As I understand it, according to the board policies and guidelines, I would not be sitting on cases which involved 183 for probably a significant period of time, because they were my principal client.

Mr. Tascona: Yes. So there's the board policy in terms of that. What is the period of time? Do you know?

Mr. Lewis: I don't know precisely. I believe that for lawyers who become vice-chairs, the period of time may fluctuate depending on the importance of clients. Some clients, as you know, are long-term with long-term relationships, and others are brief, with shorter-term relationships. I believe the period therefore varies depending on the client and runs from six months to two years. I assume that in my case with Local 183, it would run for the entire two years, which is the period of the appointment.

Mr. Tascona: Yes. I understand.

You have a lot of experience and I think you're very well respected in the field. What perspectives do you want to bring, if you want to comment on that, to the Labour Relations Board as you see it? Because their mandate seems to be expanding in terms of what they're doing. The chairman has been appointed by the minister to be doing some extra work, as I understand it, with some interesting boards. I think it's important work—the Ontario Municipal Board etc.—and that's good in terms of reviewing that. But in terms of your view on that—I think you practise in a number of areas—how do you see yourself handling this position, you know, from an advocate, and now you're going to be on the other side?

Mr. Lewis: Yes, it's a change, but I want to make it clear that I think it's very important for all vice-chairs to distinguish any of their personal views that they may come with from their experience and what is required of

the vice-chair's position. I don't think it's the role of any vice-chair to rewrite the statute. I mean, that's obviously what the Legislature does. But in terms of the approach that I would bring to being a vice-chair, I think the labour board faces the same general problem which, quite frankly, most of our justice system faces; that is, trying to move cases forward in an efficient, timely manner so that justice can be dispensed and people aren't having to either withdraw their cases or mortgage their lives to pay for their legal representation. So I think my unique ability, given my skill sets, would be to identify the core, underlying issues involved in a dispute and getting to the bottom of those issues and having them dealt with quickly, either by encouraging the parties to settle or to come up with some sort of alternative dispute resolution mechanism, or, if one has to have the hearing, making sure that the hearing focuses on what is really in dispute and what really has to be determined, as opposed to going off on various tangential lines.

Mr. Tascona: That's interesting. The board has a different approach for industrial versus construction types of cases, because in the construction there is a fee to be paid in terms of disputing agreements and there is also a fee to be paid for the hearing—

Mr. Lewis: Only for the grievances.

Mr. Tascona: Yes, only for the grievances. What are your thoughts on whether that should be expanded or just confined as it is, in terms of moving justice along?

Mr. Lewis: Well, I'm perfectly comfortable with the board charging a fee for the work that it does under section 133 of the act when it sits as a board of arbitration, because in that sense it is administering private collective agreements, and why should construction unions get a freebie that every other union, and employer for that matter, has to pay for?

I would have a problem, I think, on a personal level—it's not my job to speak to it—if one had to pay a hearing fee to the board to have one's rights under the various statutes—like the Labour Relations Act, the Employment Standards Act, the Occupational Health and Safety Act—adjudicated.

1020

Mr. Tascona: What kind of training would you be getting in terms of this position? Is there a program for you?

Mr. Lewis: I understand that they pair you with an experienced vice-chair for a period of time at the beginning who trains you in the role. I'm not sure if there is any other, more formal, training.

Mr. Tascona: Do you have an idea whether you're going to be specializing in a particular area at the board?

Mr. Lewis: I assume that I will specialize in construction because that's my area of expertise and, as I understand it, that's where the majority of cases are, although I also understand you eat what you're given. If it's on your plate, you finish it. That's what my mother always told me.

Mr. Tascona: I'm pleased that you came here today. I think you're going to do a good job there and I wish you the best.

Mr. Lewis: Thank you very much.

The Chair: To the third party.

Mr. Michael Prue (Beaches-East York): I can't honestly, after what you've just responded, think of a single thing I can ask, so thank you for attending.

Mr. Lewis: Thank you.

Ms. Smith: Nice, Michael. You can come every week.

The Chair: Is there a motion, then, to replace—

Mr. Parsons: This is a trap.

Mr. John Milloy (Kitchener Centre): —to replace Michael.

The Chair: There you go.

Mr. Lewis, thank you very much for your presentation to the committee and your response to the members' inquiries. You're welcome to stick around. We have one more intended appointee and then we'll move to the concurrence votes. I'm not going to make any predictions on how that vote went, but it seemed to go pretty smoothly during the questions. Thank you for your time.

ALBERT WIGGAN

Review of intended appointment, selected by official opposition party: Albert Wiggan, intended appointee as full-time member, Ontario Human Rights Commission.

The Chair: Our next intended appointee is Mr. Albert Wiggan. Mr. Wiggan, welcome to the standing committee. Please make yourself comfortable. You've been kind enough to be here early, so you've seen how the committee works. You're welcome to make some opening comments. Mr. Wiggan is an intended appointee as a member of the Ontario Human Rights Commission. If you'd like to describe your background and interest in the position, any questions will begin with the official opposition. Mr. Wiggan, the floor is yours.

Mr. Albert Wiggan: First of all, I want to thank the board—I'm a little nervous, so please forgive me.

The Chair: They only look mean. They're actually not that bad. They behave themselves until about 1:30.

Mr. Wiggan: I am about people. I'm from a family of 15 children. I'm the baby of 15. My father died when I was two years and six months old, so my mother taught me how to live and how to survive. I came to Toronto 28 years ago. When I came here it wasn't easy. It was a little tough, because, going to school in Jamaica, I didn't discover I had a learning disability until I came here. I came here, started to go to school and, for some unknown reason, I couldn't learn the everyday life that we had to deal with here, doing everything normally like everybody does. I went to school for about eight years. My teacher said to me once, "Albert, I think you may have a problem." So she sent me somewhere in Etobicoke and had me tested. I was told I'm dyslexic. It was kind of a shock because I thought, being dyslexic, I was stupid. Anyway, I moved on from there. My teacher actually made an appointment for me up at York University to see

a gentleman by the name of Scott Pope. Mr. Pope was a man who actually had a disability himself. When I went to see him, he said to me, "Albert, I understand where you're coming from, but what are your plans for the future?" I said, "Sir, I would like to start my own business." He said to me, "Go ahead and do it."

I had a little bit of money saved up. I went out and started looking for a location to open a restaurant, knowing nothing about the restaurant business, but that's where my passion is. So I went out and found a location, opened a restaurant, which I've been operating now for the last 21 years.

During operating my restaurant, I realized that there are a lot of people out there like me who need a little push. All I needed was just a little push to make me know that I can be somebody, if I really want to. Realizing that being dyslexic is not a crime, I started, over the last 10 years, to open up to people, letting them know that having a disability is not the end of the world. You can go on to bigger and better things.

I got a call from the schools way back—I'm not so active doing it now as I used to be, but I used to go into the schools and speak to the kids, tell them about myself and that they can grow if they really want to grow. Having a disability doesn't mean that's the end of the world.

I have a quick little story here. I want to tell you about a child. A little while ago, about six months ago, I got a call from a school. They told me they had a bunch of kids coming down to see me, between 12 and 13. They showed up all excited, asking me how I started my business, so I had to tell them from scratch. However, in the group there was one child who wouldn't say anything. I stopped the other children and said, "Let me speak to that young man over there." I said, "How come you're not saying anything?" He said, "I have a learning disability." Right there and then I saw myself in that child because I remember, as a child, that that's the exact same way I used to be. I wouldn't say anything, only look and stare. However, I said to him, "Well, having a disability doesn't mean you can't start your own business and do like I do," and his eyes just popped right open. It sort of got me very teary at the moment because I saw myself in that child.

Anyway, I told him what he can do with himself, what he can grow up to be, and I was happy that I leave myself open now for the public, as in talking to people I can now help the ones who need help. Please stop me here if I'm over my time.

There's a gentleman I would like to talk about. I remember about three years ago I was going to work one morning at about 5:30 and I saw this gentleman sitting in the doughnut shop. Every morning he sat there. I took it upon myself one morning to go and speak to him: "Every day I come here, you're sitting in the same chair." He said to me, "Albert, my English is not good. I was trained in Europe and I can't get a job here." So I said to him, "I have a small formula for you. Your best bet is to go back

to school and learn the educational skills of Canada, and that might help you.”

Panel, the gentleman went back to university. I didn’t see him for about three months. He went back to university and for about three or four months I didn’t see him. He came back to me and said, “I have to report to you, Albert. I actually got enrolled in university.” About six months, or a year later, to be exact, he came back to me and said, “You know, in my class my professor said to me that I am one of the smartest students; thanks to you, Albert.” I said, “Don’t thank me, thank yourself, because I told you what to do, but you made the move. I didn’t do it. You made the move.”

Today, my friend, my associate, just came back from the Middle East—actually, no; he came back and told me about six months ago. He always makes little reports to me of what he is doing with his life. He came back and said to me, “Albert, you would not believe it.” I said, “What is it?” He said, “One hundred people applied for this job. I got it. I’m going to be working for the UN, thanks to you.”

1030

So I am about helping people. I am about justice and equality. I’m about helping people who need help. I try my very best to help people who cross my path.

I was saying to myself not too long ago—like I said, stop me when you guys think I’ve said enough—there are a lot of people out there who are like a battery. Some of them have a little bit of current in them, and they just need to be pushed to start.

I like to help people who are weak, because I think of myself, I think of where I am coming from. Without the push from my teacher Colleen Cecee, a little Irish lady, and Mr. Scott Pope of York University, who encouraged me to go on with my life—if it wasn’t for those people and of course my wife, behind me there, and we’ve been married for the last 28 years, who supported me through thick and thin, today I wouldn’t be standing here telling you my story.

I’m very strong in morals. I give my word to the public and to the standing committee here that I am about people, I’m about helping the ones who need help.

I’m making myself a door to the people who need help and people with disabilities. I want to tell them out there that just because you have a disability, it doesn’t mean you can’t make it. Thank you very much. God bless you.

The Chair: Mr. Wiggan, thank you very much. Those are very moving stories. We will begin with the official opposition.

Mr. Tascona: Thanks for coming here, Albert. I just want to clarify one thing. I understand that in the maiden speech by the Attorney General—at the time, he was a backbencher—Michael Bryant, to the Legislature in October 1999, he stated, “This riding houses a who’s who of Ontario’s political, religious, social and community leaders. I can’t name them all because I’ll offend some, but I’ll just name a few: Albert Wiggan, the proprietor of Albert’s Real Jamaican, the best takeout

maybe in Ontario and the winner of the Harry Jerome award for excellence.” Is that you, Albert?

Mr. Wiggan: Yes.

Mr. Tascona: Is your restaurant chain still Albert’s Real Jamaican?

Mr. Wiggan: Yes.

Mr. Tascona: I understand that you have a website for that restaurant.

Mr. Wiggan: Yes.

Mr. Tascona: It says that you also have a catering service and plan some day to franchise your restaurant. Where is that restaurant?

Mr. Wiggan: I’m at 542 St. Clair Avenue West.

Mr. Tascona: Get that on the record. I’m getting hungry already.

Is your restaurant accessible to persons with disabilities?

Mr. Wiggan: Yes.

Mr. Tascona: You’re from Mississauga. Who’s your MPP?

Mr. Wiggan: I know he’s Italian. I can’t remember his name. I’m more focused in Toronto.

Mr. Tascona: How did you become aware of this appointment? You applied back in 2005. Did someone approach you?

Mr. Wiggan: What happened was, I wanted to see Mr. Bryant because I had some concerns about my community that were really on my mind, so I actually brought him a few concerns.

Mr. Tascona: But who did you talk to from the government?

Mr. Wiggan: I spoke to Mr. Bryant regarding my concerns about the community, and the discussion vaguely turned to human rights. We didn’t prolong talking about it. It wasn’t the issue that I really went there for. So I put an application in. Actually, I hadn’t heard anything about it, so I totally forgot about it. I think about six months ago, I spoke to Ms. Hall. She gave me an interview, and it started from there. But other than that, I actually thought it had been so long that—

Mr. Tascona: That’s Barbara Hall, the chair of the Ontario Human Rights Commission.

Mr. Wiggan: Yes. So she interviewed me, and we went from there.

Mr. Tascona: That’s fine. What do you understand about the term of your appointment? How many years is it, do you know?

Mr. Wiggan: I think it’s two years or three years. I don’t quite remember.

Mr. Tascona: They haven’t told you that. Okay. Do you understand what you’re going to be doing? I understand from the commission that they meet approximately three days of every six weeks for a total of 27 days in a year. Do you understand what you’re supposed to be doing?

Mr. Wiggan: Yes, I understand that, and I will have the time, because I now have a very competent manager who manages my place, who’s sitting right next to my

wife there. I have excellent staff that now can do whatever has to be done at work.

Mr. Tascona: Are you a card-carrying member or have you ever donated to the Liberal Party?

Mr. Wiggan: No.

Mr. Tascona: No?

Mr. Wiggan: No.

Mr. Tascona: Okay. Are you familiar with the restaurant owner and operator's policy with respect to what they are expected to do for the Human Rights Commission? Are you familiar with that?

Mr. Wiggan: I'm really not briefed on everything yet, sir. I'm hoping that, if given the opportunity to be on the board, I will be informed of everything that has to be done.

Mr. Tascona: In December 2003, the Human Rights Commission released a report called *Paying the Price: The Human Cost of Racial Profiling*, and in that report, they made 19 recommendations, including:

"1. The government should establish a racial diversity secretariat....

"2. All organizations and institutions entrusted with responsibility for public safety, security and protection should take steps to monitor for and prevent the social phenomenon of racial profiling....

"5. Organizations or institutions that have, or are alleged to have, a problem with racial profiling should accept and acknowledge the existence of racial profiling, as well as the need to address the concerns of the communities they serve....

"11. The Ministry of Community Safety and Correctional Services should undertake a public consultation to determine the best way to ensure that the police complaints mechanism is, and is seen as, independent and effective. Necessary changes to the current system should be made accordingly."

A year after the release of the report, Keith Norton, who was the chairperson of the Human Rights Commission, wrote an opinion piece for the *Toronto Star* in which he claimed that "not enough is being done to combat racial stereotyping." However, Mr. Norton acknowledged that the Liberal government had undertaken a review of the police complaints mechanism. As we know, that hasn't been brought forward for legislation and, quite frankly, I don't even know where that is right now in terms of the government's agenda.

In your opinion, does racial profiling occur?

Mr. Wiggan: I really don't know a lot about that stuff. I've heard it. I am looking forward to learning more about it before I can actually make a strong statement on it. I've heard stuff on the radio and TV about racial profiling. I really don't know a hell of a lot about it, to be very honest with you. What I'm hoping to do, if permitted, on the board is to learn more about all these things and also to learn from the people from the board how to apply myself to this. I don't really know a lot about it. This is really a learning stage for me. I'm willing to learn the rules and the dos and don'ts. So I'm waiting for the opportunity to understand all this.

Mr. Tascona: Thanks very much. My colleague has some questions.

The Chair: Ms. Scott, you have about three minutes.

Ms. Laurie Scott (Haliburton-Victoria-Brock): Thank you very much for appearing here before us today and for your willingness to go on the commission.

Following up on some of your background, one of the roles of the Ontario Human Rights Commission is to develop policy and promote public awareness of the Human Rights Code. Do you want to elaborate a little bit more on some initiatives you'd like to bring forward or some things you've seen in your community?

1040

Mr. Wiggan: What I would like to bring to the board is life experience. I'm hoping to work with everybody on the board. Of course, everybody will have different ideas. I intend to work with the people and bring my life experience.

Ms. Scott: What do you think would be some of the areas that are filed—areas such as age discrimination, ancestry? Do you hear a lot in the community about discrimination in those areas? I mean, there are certain percentages.

Mr. Wiggan: Well, there are many types of discrimination. Sometimes there's discrimination in the workplace. There's discrimination at different levels. I like to investigate things before I point the finger, saying, "Well, it's wrong." Instead of jumping to a conclusion, saying, "That's discrimination," I find out.

Ms. Scott: I just wondered if you'd heard of specific areas where there's been discrimination taking place in your community, for example.

Mr. Wiggan: Like I said, I've heard of stories, but I have no facts on them. This is stuff I heard about, stuff that happened. In order to comment on that—I have no facts on what started the discrimination, so to tell you that something happened, that this is what happened, it's very hard to make an answer on that. But I know stuff like that does happen.

Ms. Scott: That's fine. Since 2003, the average length to process a human rights complaint has increased each year, to the point where it's now an average of over a year. How do you feel about that year timeline? What changes would you like to see to speed that up, if you think it should be sped up?

Mr. Wiggan: Like I said, what I am bringing to the human rights board, if I'm appointed to be there, is my life experience. There are a lot of things that I am going to have to learn, and this is new for me. I am hoping, when I get there—if I do get there—to understand, if I can use the word, the way the human rights board runs. To make a comment on that right now, not having been on the board before, I don't think is fair to myself when I don't know how the board runs. I don't know if the time factor of a complaint should take six months, if it should take three months. It's very hard to say that.

Ms. Scott: Okay. Thank you for appearing here before us today and for your input. That's fine.

The Chair: Thank you very much. The third party?

Mr. Prue: I only have one fairly brief question. It deals with the amount of work involved in preparing for board hearings. I'm given to understand it's about three days of intense reading and stuff. You did talk about a learning disability and your amazing process to overcome that. Will you have any difficulty absorbing the huge amounts of material—three days' worth of reading—in order to be prepared? I just need to be confident in my own mind that you will.

Mr. Wiggan: To be very honest with you, I will go back to Mr. Pope. When I went to his office, he communicated with tapes. I quite positively think that I'll be able to do that with all the electronic devices that are available today.

Mr. Prue: So the Human Rights Commission has said that they will have assistive devices—

Mr. Wiggan: Well, they didn't say that, but I am saying that there are devices that are available today for people like myself and many others which I should be able to use to help me.

Mr. Prue: And you won't be the least bit shy in asking for these?

Mr. Wiggan: No, I won't.

Mr. Prue: I just want to make sure. That would be my question.

The Chair: Mr. Prue, thank you very much.

To the government side: about one minute left on your clock.

Mr. Parsons: I appreciate your coming. This can appear challenging, and you've handled it well. Your family and community should be very proud of you.

Mr. Wiggan: Thank you very much.

Mr. Parsons: You met with Barbara Hall and had a chat. Tell us about it.

Mr. Wiggan: I had a chat, as you say, with Barbara. It was quite a lengthy meeting. She asked me quite a few things. I don't know her in depth, but our meeting was very intense. She asked quite a few questions. I'm hoping to learn more about her as we go along. Our meeting was based on this whole human rights thing that we're talking about today. I am hoping to learn more about her as we go along, if given the position.

Mr. Parsons: Thank you.

The Chair: That does conclude the time. Mr. Wiggan, thank you very much for your presentation and your response to members' questions. You're welcome to stick around, because now we're going to proceed with the votes on approval of the committee. Thank you for your time, sir.

Mr. Wiggan: Thank you very much.

The Chair: Folks, we'll now go into concurrences in the order in which they appeared before the committee.

We will now consider the intended appointment of Mark Lewis, the intended appointee as vice-chair of the Ontario Labour Relations Board.

Mr. Parsons: I would move concurrence.

The Chair: Mr. Parsons moves concurrence. Is there any discussion of the intended appointment. Seeing none, all in favour? Opposed, if any? Mr. Lewis, congratulations and all the best as vice-chair of the OLRB.

We will now consider the intended appointment of Albert Wiggan, intended appointee as member of the Ontario Human Rights Commission.

Mr. Parsons: I move concurrence.

The Chair: Mr. Parsons moves concurrence. Any discussion? Seeing none, all in favour? Opposed, if any? There you go, Mr. Wiggan. Congratulations to you, sir, and all the best on the Ontario Human Rights Commission.

Folks, we now have an opportunity for other business, if members have any other business for the committee today.

Ms. Smith: I'd just like to say that we'd like to welcome Mr. Prue back any time to our committee.

The Chair: We are a record 70 minutes ahead of schedule. We'll call that the Bisson factor, eh?

Is there any other business? I'll then remind members that our next meeting will be Wednesday, October 4, at 10 o'clock. We will be moving with our discussion on the report stemming from our agency interviews of early September on that date, so please come prepared for report writing. Seeing no further instruction for researchers, if you have any other advice, please do so through your subcommittee members as soon as possible.

Folks, thank you very much. We are now adjourned.

The committee adjourned at 1047.

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